

## Social democrats to launch party in 10 cities on March 26

The leaders of the Council for Social Democracy will announce the formation of a new centre party on March 26. A policy statement published then will be subject to change at a national conference. Leading social democratic members, using fast transport, including aircraft, will hold press conferences in 10 cities on the launch date.

### Conference to vote on policy

By George Clark  
Political Correspondent

Dr David Owen, the former Labour Foreign and Commonwealth Secretary, Mr Roy Jenkins, Mrs Shirley Williams, and Mr William Rodgers, MP for Teesside, Stockton, who form the collective leadership of the Council for Social Democracy, will announce the formation of a new centre party on March 26.

Mr Mike Thomas, MP for Newcastle upon Tyne, East, a leading member of the council, told a press conference at the Commons last night that the preparatory work in launching a political party in an age of modern electronics and rapid communication was complicated.

Referring to the beginnings of the Labour Party, he said: "The last time anyone attempted this was 80 years ago and it was 18 years before they had a proper constitution". Because the Social Democrats believed strongly in the principle of one member, one vote it was obvious that it would be some time before the party would emerge with a constitution and an agreed policy. The first phase might be completed this year and the second next year.

But in order that people could have a general indication of the party's aims, a policy statement would be published at the launching press conference. It would be subject to change, by democratic vote.

That statement was being drawn up by the trustees of the council, comprising Mr Clive Lindley, chairman, a businessman and former Labour candidate at Leominster in 1974 (chairman), Lord Diamond, former Chief Secretary to the Treasury, Sir Leslie Murphy, chairman of the National Enterprise Board until 1980, and Mr and Mrs William Rodgers, MP for Teesside, Thornaby.

Mr Thomas said: "The object is not only to launch ourselves in the world but to invite people to become members or supporters of the new party. It will be possible for people to join by telephone and there will be phone banks operated

by volunteers in 18 centres: all over the country, including the cities where press conferences will be held.

Contributions will be accepted by Access and Barclaycard, he said.

The extent of that coverage is impressive. The programme will be for the "gang of four" to launch the party and answer questions from the press and television reporters at the Connaught Rooms, London, at 9 am on March 26.

After that, the leading party members will disperse and conduct press conferences in Cardiff, Manchester, Edinburgh, Aberdeen, Birmingham, Norwich, Leeds, Southampton and Plymouth.

There may also be a press conference in Liverpool, where the Social Democrats are hoping for an electoral pact with the Liberals.

Mr David Steel, leader of the Liberal Party, yesterday welcomed the defection of Mr Christopher Brocklebank-Fowler from the Conservatives.

"It is a very significant step forward, because it is the first time we have had from the Conservative Party at parliamentary level," he said on Independent Television News.

At local level, there had been recruits from the Conservative Party to both the Liberal Party and the Social Democrats.

He had been consulted by Mr Brocklebank-Fowler "and

he explained to me that he thought that the newness of the Council for Social Democracy was a significant factor in his decision". It was very difficult for an MP to join another party.

Had there been any approaches from other unhappy Conservative MPs? "The answer is yes, but I am not saying that there is going to be a spate of defections from the Conservative Party", Mr Steel said.

"Certainly there are a number of Conservatives who are deeply unhappy and who make no concealment of the fact."

Mr Steel said it was difficult to estimate the number of potential Conservative defectors. "I would not think there would be more than two or three in the life of this Parliament," he said, "but in saying that I do not know how fast the snowball of the new alliance (Liberals/Social Democrats) is going to grow."

"After all, the Social Democrats still have to launch themselves as a new party. After that we have to put together the political alliance between ourselves. Then, at that stage, I think the thing could well snowball. I may be quite wrong in my underestimation."

The Liberals were looking forward to a by-election, he said, because of the progress they had been making.

Asked if the Liberals would stand aside and give, say, Mrs Williams or Mr Roy Jenkins a free run at a parliamentary by-election, Mr Steel said: "That would depend entirely on the constituency concerned, and certainly I would like to see them both back in the House of Commons, because I think it would strengthen the alliance enormously. I hope therefore that we will be able to help that."

On the question of whether he would urge Liberals to fight for the Social Democrats, he said it would depend on the sort of constituency it was. If there was a strong Liberal association and a candidate was already in place, obviously the Liberal was not going to stand down.

Jenkins speech, page 2

## Diplomat referred to in sex trial named today

By Our Political Correspondent

Rejecting the advice of Sir Michael Havers, QC, the Attorney General, that he should not name the diplomat referred to in a recent case at the Central Criminal Court, Mr Geoffrey Dickens, Conservative MP for Huddersfield, West, yesterday tabled two questions in the House of Commons, asking the Attorney General to name the diplomat.

Mr Dickens's questions are: "To ask the Attorney General if he will prosecute Sir Peter Hayman under the Post Office Acts for sending and receiving pornographic material through the Royal Mail."

To ask the Chancellor of the Duchy of Lancaster (Mr Francis Pym) if he will move to set up a select committee to investigate the security implications of the entries contained within volumes of Sir Peter Hayman's diaries, referred to in the trial of Tom O'Carroll at the Old Bailey."

Reference was made to a diplomat during the trial. Mr O'Carroll, aged 35, who was chairman of the Paedophile Information Exchange, was sentenced to two years' imprisonment for conspiring to corrupt public morals.

Sir Michael, who had a meeting with Mr Dickens at the Commons on Monday night, appeared to him not to mention the diplomat's name.

"It seems to me wrong that someone who has not been prosecuted should be named unless there is any compelling reason to do so, and I do not think there is one," Sir Michael had said earlier.

Mr Dickens said last night that he was not persuaded by Sir Michael's arguments.

Mr Dickens claims that the police and many other observers at the trial at the Central Criminal Court were "absolutely staggered" that the diplomat had not been charged as a result of what was found at the flat. He had been a contributing member of the Paedophile Information Exchange.

Last night it became clear that the Attorney General is preparing a fairly lengthy reply to Mr Dickens's question. Mr Pym is not likely to answer his question on security risks until Monday.

Detectives had questioned the diplomat after he had left pornographic material on a bus. On Sunday the Attorney General said that he and Sir Thomas Rotherington, QC, Director of Public Prosecutions, had looked at the case and decided that the original decision not to prosecute was correct.

"He was dealt with in exactly the same way as a number of others who had attempted to send obscene material through the post," Sir Michael said. "It was a fairly minor matter. There was no question of them corrupting children."

It appears that nine people were involved and it is being argued that it is wrong to name one man and not the others.

Named diplomat, page 2

From Our Own Correspondent  
Bonn, March 17

The wife of the head of the Muslim Brotherhood was shot dead at their home in Aachen today by a death squad evidently out for her husband.

Mr Issam al-Attar, the spiritual leader of the outlawed Muslim Brotherhood, which has been opposing President Assad's Government in Syria, was in hiding after being warned that his life was in danger.

Aachen police said three snare-trapped men entered the Attars' block of flats, accosted a neighbour who had gone to the attic to get her washing and forced her, at gunpoint, to ring the Attars' bell, and smile at the spyhole in the door.

When Mrs al-Attar opened the door they jumped forward, firing with hand guns, hitting her four times in the head, neck, and chest.

One dragged the body into the landing, while the other two ran into the flat apparently seeking Mr al-Attar.

While a neighbour called police, the men raced out of the building and made off in an orange car in the direction of the Dutch border about two miles away.

Mr al-Attar was in no doubt about who was responsible for the murder. Weeping, he told a Syrian journalist in London: "Syrian agents killed my wife". West German police declined to say whom they suspected.

Mrs Benan al-Attar, aged 37, was the daughter of Mr Ali al-Tanzawi, a prominent figure in the Saudi Arabian establishment and an eminent judge and authority on Islam. He appears twice a week on Saudi television speaking about Islam.

England, set the improbable task of scoring 523 in 10 hours to win the third Test match, were 166 for 5 at the close of the fourth day. Gough was 88 not out and Gower, who scored 54 before being bowled by Richards.

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EEC passport  
EEC foreign ministers have agreed to introduce a uniform wine-coloured EEC passport no later than January 1, 1985. It will be issued by the national authorities and carry the name of the issuing state in larger type than the words: "European Community".

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Racial harassment: Councils urged to take a strong stand after report disclosed violent incidents on housing estates 4

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Important visitor: The Duke of Edinburgh and President Shagari of Nigeria inspecting the Irish Guards yesterday.

The President and his retinue of two dozen ministers, advisers and businessmen will spend today sightseeing and discussing business and politics. A long lunch is planned with Mrs Margaret Thatcher and Lord Carrington, the Foreign Secretary.

Britain is seeking a large share of £600m in arms contracts which the petroleum

republic is dangling. According to British officials, the Zimbabwe settlement and the advent of a "civilian conservative, business-orientated government" in Lagos has caused a dramatic improvement in relations between Britain and Nigeria.

It is, however, expected that during the three-day state visit the Nigerians will be pressing for tougher sports sanctions against South Africa and for more western pressure on Pretoria for a Namibian solution.

## Death squad kills wife of Muslim sect chief

From Our Own Correspondent  
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## Junket for robbers was police trap

From Michael Leapman  
New York, March 17

The hand-drawn sign in the front window of the charabanc read: "Good Buy Charter". It should have been spelt differently, for the coach party of 25, who had been expecting a jolly day's gambling and drinking a gambling trip to Atlantic City, were instead driven to prison.

It was the culmination of another of those police undercover operations which cause such merriment when they are disclosed here. Good Buy was the name the police gave to a shop they established five months ago in Manhattan's Diamond District, on West 47th Street off Fifth Avenue, for the purpose of buying stolen property.

During that time, police say they bought goods worth \$2.5m (£1.1m) although they paid only \$8,000 for them. The discrepancy was caused by the fact that much of the property was stolen bonds which are hard to sell and therefore command a low price on the undercover market.

After they set up the shop, describing themselves as "buyers of gold and silver", police said it was not long before word of their willingness to buy stolen property circulated in the underworld.

They received a steady flow of offers and propositions, including one from a man who wanted their help in killing and robbing a Brooklyn couple.

Soon after operators of Good Buy informed their clients that, to celebrate the imminence of spring, they would be organizing a gambling trip to Atlantic City to reward their loyal patrons. There would be free champagne and \$1,000 of stake money each. The day trippers were to meet yesterday morning at Sullivan's Bar on Eighth Avenue at 46th Street, not far from the Diamond District.

When the group of 25 had assembled they were all placed under arrest. Then they were loaded on to a police van and driven, not to the seashore, but to the police station.

There, 11 of the 25 were charged with possessing stolen goods and the remainder held for questioning. Police are still looking for 13 of their customers who, by apparent foresight, did not go.

Another fall for the steeplechase Prince

By Michael Phillips  
Racing Correspondent

The Prince of Wales's second steeplechase in five days again ended in failure at Cheltenham yesterday. He was dislodged from his horse, Good Prospect, in the same way as at Sandown Park on Friday.

Good Prospect started as a 25-1 outsider and misjudged a fence once more, giving his enthusiastic owner-rider little chance of staying in the saddle. This time they parted company at a full circuit left to run, whereas at Sandown there were only four fences to jump.

Each time Good Prospect hit the fence and each time Prince Charles was catapulted forward and out of his stirrups. Professional opinion has it that Prince Charles still has a thing or two to learn about the art of race riding, which is so different to hunting.

By sitting back rather than crouching forward, Prince Charles might not have come a cropper in either race. He was limped away from the fence which brought about his downfall yesterday he was heard to remark: "Oh, well, you live and you learn."

Cheltenham report, page 13

Giant panda is treated at London hospital

By a Staff Reporter

Ching-Ching, the London Zoo's female giant panda, who has been in poor health for some time, became a patient for three hours at University College Hospital, London, yesterday.

The panda, who was given to Britain seven years ago by China, was anaesthetized at the zoo and was taken to the hospital for a radio isotope scan while veterinary surgeons attended her. Technical staff in the scanner room carried out the investigation voluntarily after their working hours.

The results will be known today. The hospital has been giving advice about Ching-Ching for some time. She was in a critical condition last year and had an emergency operation. Ching-Ching is aged eight, young for a giant panda.



Remember her? Please do!

She is now being cared for by RUKBA with a life long annuity and, should it ever be necessary, a place in a Residential Home or a Sheltered flat, but we have no pictures of the ever growing number of others like her who are in desperate need of RUKBA's help.

RUKBA is the Charity which looks after the impoverished and/or infirm elderly of professional or similar backgrounds - people who, in their prime, did so much for others, and are today struggling to exist themselves. Will you help us now to give them the security and help they so greatly need?

Last year we spent nearly £1.5m assisting over 4,800 people. Only the amount of your donations and legacies can decide how many more we can help this year. Please be kind and support our work with a generous contribution - and please remember RUKBA in your Will.

THE ROYAL UNITED KINGDOM BENEFICENT ASSOCIATION (Founded 1863)  
Patron: Her Majesty Queen Elizabeth the Queen Mother

To: The General Secretary, RUKBA, 6 AVONMORE ROAD, LONDON W14 8RL

I'd like to help - here's my contribution

Name \_\_\_\_\_  
Address \_\_\_\_\_  
T151

## Soviet denial of backing M Giscard

From Michael Binyon  
Moscow, March 17

The Russians today vigorously denied that they had signed a favour of Presidentiscard d'Estaing in the forthcoming French election, and accused the French press of dishonesty in trying to show that Moscow was interfering in France's internal affairs.

The sharp official denial published in Pravda comes after a note was provoked in France by a Pravda report from Paris a week which praised Presidentiscard d'Estaing while seeming to express disapproval of M Francois Mitterrand, his socialist opponent.

The report was interpreted as a clear signal that the Russians would prefer the President to emerge as the victor in a run-off between the two. It was swiftly attacked by the Gaullist and Socialist politicians as "inadmissible interference" in French affairs.

Pravda today asserted that it had merely been reporting on the chances of the various candidates as all newspapers did routinely during election campaigns.

French Foreign Minister Le Monde said that the report was "an anti-Soviet invention" and that it was "slanders" were being spread with the facts.

Last week the newspaper described M Giscard d'Estaing as "restrained and careful politician", who had won personal popularity especially on the international scene. By contrast, it used the Socialist Party, which in 1974 formed an electoral alliance with the Communists, of drifting to the right. It said Mitterrand's chances were weakened by the absence of a clear and consistent political programme and a frequent failure to suit the interests of a very broad range of voters.

The Russians openly favour Georges Marchais, the Communist leader. This year, he has formed an electoral alliance with the Socialists, and Moscow is taking potential votes from the Communists.

Over support for Presidentiscard d'Estaing is not surprising, however. The Russians have long been interested in his attempts, owing those of General de Gaulle, to distance himself from the left while asserting that France has a special relationship with the Soviet Union.

Mitterrand hits back, page 7

## University job loss could total 7,000

By Diana Geddes  
Education Correspondent

About 3,000 university teachers will have to be made compulsorily redundant over the next three years, at an estimated cost of between £100m and £200m, because of planned government spending cuts, Dr Edward Parkes, chairman of the University Grants Committee (UGC), told the House of Commons Public Accounts Committee yesterday.

A further 4,000 non-academic staff would also have to be made redundant, Dr Parkes said, that unless the Government was prepared to provide the large sums needed to meet redundancy payments, some universities would "simply become bankrupt".

He emphasized that the figures were based on the UGC's most optimistic assumption.

The committee's very conservative estimate was that university income would be cut by at least 31 per cent over the next three years, Dr Parkes said.

The Committee of Vice-Chancellors and Principals estimates that income will be cut by 15 per cent.

If the cuts were spread uniformly, all universities would have to freeze all posts, Dr Parkes said. "But in fact we shall be spreading the cuts very non-uniformly."

Redundancy costs would have to be taken into account the varied nature of university teachers' contracts, but a figure of £40,000 to £50,000 had been suggested for each redundancy.

Dr Parkes said that his committee did not envisage the closure of any university, provided that money could be found for redundancies.

Appeals to test criteria on brain death fail

The Court of Appeal has rejected two applications that could have provided the first detailed legal test of the British criteria for brain death. It held that doctors who switched off life support systems could not be blamed for the deaths of two patients who, it claimed, had two patients who fulfilled the criteria had survived.

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Law Report, page 8

Banking realignment  
Standard Chartered Bank and the Royal Bank of Scotland agreed on merger terms and Lloyds Bank launched a takeover bid for Lloyds and Scottish, the country's largest independent finance company, in the biggest realignment in British banking for more than a decade.

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London lorry ban  
Heavy lorries are to be banned from a 50 square mile area of north London when a new section of the M25 orbital motorway is opened later this year. The ban is the first in Britain to cover such a big area.

Page 3

Escape plotters jailed  
A plot to snatch an IRA terrorist leader from a London prison by helicopter led to the sentencing of three men after a two-week trial at the Central Criminal Court.

Page 2

## Double Tory loyalty over petrol tax

Conservative leaders in the constituencies of the Tory MPs who voted against the Government over the 20p increase in petrol tax expressed support for the rebels. But at the same time they emphasised their support for the Government's economic strategy in a double display of loyalty.

Page 2

'Germ war' lawsuit  
The United States Government denied in court in San Francisco that a germ warfare test which created a bacteriological fog there in September, 1950, had killed a wealthy businessman who died a month later. Relatives of the businessman are seeking about \$5m in damages from the United States Army.

Page 6

Warning by UN  
Major General William Callaghan, the United Nations commander in Lebanon, denounced the "barbaric" killing of two Nigerian soldiers by the Israeli-backed militia of Major Saad Haddad. He issued a warning that if attacked again his force would "protect itself with the defensive weapons at its disposal".

Page 7

Amnesty dismissal  
A prolonged and bitter dispute within the British section of Amnesty International has led to the dismissal of the director of the human rights organization, Mr Cosmas Desmond. He said he was "utterly and completely amazed" by the executive council's decision. He was undecided whether to appeal against it.

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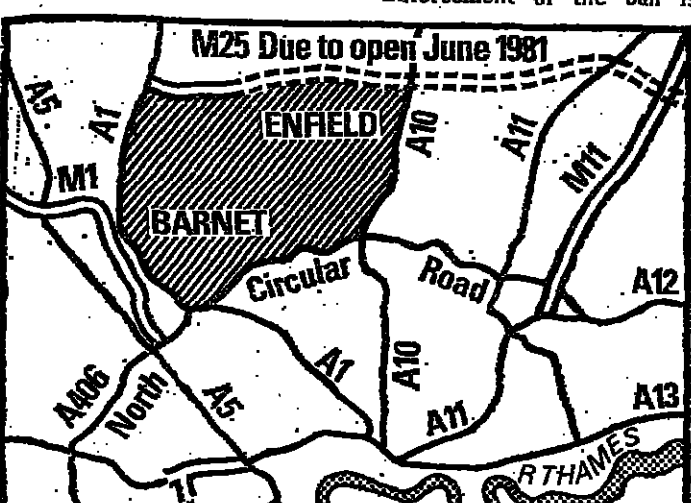






## Heavy lorries to be banned from large area of north London in experimental scheme

By Jacob Eccleston  
Head from 50 square miles of north London when a new section of the M25 is opened in September.



The shaded area where lorries of more than 7.5 tonnes gross are to be banned after September.

The ban is the first in Britain to cover such a big area, one-tenth of greater London. Its effect on traffic will be monitored by GLC engineers and planners who will prepare reports.

Mr Alan Green, leader of the council's planning and communications policy committee, said yesterday that the GLC had been asked by Barnet and Enfield borough councils to introduce such a ban "and we think the time is right to try it experimentally". Enforcement of the ban is likely to be difficult. The police are not in favour, believing that it will be difficult for them to decide whether lorries are seeking access.

In a letter to the committee last October, Sir David McNea, the Metropolitan Police Commissioner, said the scheme should not go ahead until the M25 ring road had been finished.

The committee was told, however, that self-enforcement would be effective, similar bans on a small scale having reduced heavy goods vehicle traffic elsewhere by between 50 and 80 per cent.

The scheme has been worked out over the last two and a half years, with detailed consultations over the past seven months. People living in the banned area were strongly in favour.

The Road Haulage Association protested that the scheme would cause severe congestion. The GLC was told that an estimated 2,500 lorries a day would be affected and about 3,000 of those were expected to be diverted on to the M25 when it opens.

The GLC also announced another restriction, on "road-trains" - lorries towing a rigidly fastened trailer. The ban affects "trains" more than 15.5m long and applies to the whole of London apart from a few trunk roads. Lorries towing fairground and circus equipment are exempt.

## Woman was found to be alive in coffin

From Our Correspondent Gloucester

A woman certified dead from a drugs overdose came back to life in a mortuary yesterday.

Mrs Jacqueline Rosser, aged 32, was later unconscious and critically ill at Gloucestershire Royal Hospital, Gloucester. She had been found at her home in Chapel Street, Stroud, early yesterday morning. A doctor certified death and an undertaker took her to the Gloucester mortuary.

It is understood that Mrs Rosser was seen to be breathing by the mortuary attendant when he opened the coffin. A resuscitation team was then called in.

Mr David Faulkner, the Cheltenham district coroner, said: "A death was reported to me in the usual way and in accordance with standard procedures I gave authority for the body to be removed to the mortuary. It is a most unfortunate incident."

Mr Rosser added that he was about to tell their two sons about their mother's death when he received a telephone message saying she was alive.

Dr Graham Voss of Beeches Green Health Centre, Stroud, confirmed that he had certified Mrs Rosser was dead but he declined to answer questions last night.

## Quiet requiem service for former head of MI6

By a Staff Reporter

The requiem service for Sir Maurice Oldfield was, as befits a man who spent much of his life in the twilight world of espionage, a quiet affair.

Figures from the secret world of intelligence joined friends and parishioners at St Matthew's Church in Westminster yesterday to pay their final respects to the former head of British intelligence before his coffin was taken to Over Haddon in Derbyshire for a family funeral service and burial.

## Karate governing body lax, inquest jury says

An inquest jury yesterday criticized the Martial Arts Commission, a governing body of karate, for being lax in introducing new safety rules, after a fighter collapsed and died during a karate bout.

But it decided no one was to blame for the death of Mr Joseph Logue, aged 25, who suffered a heart attack, and returned a verdict of death by misadventure.

## IRA shoots reserve policeman

From Christopher Thomas Belfast

A reserve policeman was shot by the IRA in the centre of Londonderry yesterday and was in a serious condition last night.

## Mr Reagan condemns Ulster violence

By Our Foreign Staff

President Ronald Reagan yesterday condemned the violence in Northern Ireland and urged Americans to question closely any appeal for financial or other aid from groups involved in the conflict.

In a St Patrick's Day statement, Mr Reagan said the United States "will continue to urge the parties to come together for a just and peaceful solution".

He added: "I pray and hope that the day will come when the tragedy of history which now afflicts Northern Ireland will be overcome, by faith, the courage and love of freedom and justice of the Irish."

## 'It's a knockout' man tells of missing dinner guest

Colin Wallace, who had helped organize an *It's a Knockout* television programme told a jury at Lewes Crown Court yesterday how he went missing on the night of the murder of his wife, Jane, in 1976.

Mr Wallace said he was a man he is alleged to have killed. He said Mr Lewis failed to appear at a dinner party given for his wife, Jane, during the party, Mr Wallace said, he fell ill and went home to get some medicine, and also drove around to see if he could find Mr Lewis.

The prosecution alleges that Mr Wallace, aged 37, of Dalloway Road, Arundel, killed Mr Lewis before the party during a row about his relationship with Mrs Lewis.

The jury has been told that Mr Wallace, information officer with Arun District Council, fell in love with Mrs Lewis, aged 29, his assistant, while they worked together organizing the *It's a Knockout* programme filmed in Arundel last July.

## Building union rejects 'derisory' offer

By Our Labour Staff

The Union of Construction, Allied Trades and Technicians yesterday formally rejected a pay offer which would mean a four-month pay freeze followed by a 5.75 per cent increase in minimum earnings.

The two sides are in any case due to meet again on April 9 and union leaders, having made it clear that strike action was possible if the employers stood by their present offer, are hoping for an improved offer on that date.

The employers told the unions in negotiations this week that it would be suicidal for the industry if the union's claim was met in full. The union is seeking what it calls a substantial increase, consolidation of the minimum guaranteed bonus and a 35-hour week.

## Beggar lived in Hyde Park for 12 years, report says

By Peter Evans

A Pole lived for 12 years in the open in Hyde Park and survived by begging. A prisoner in Pentonville had 60 convictions in 30 years, nearly half of them since 1960 for ordering and eating meals in restaurants without paying.

The report says that sentences of imprisonment given to persistent petty offenders often appeared out of proportion to the seriousness of the offence. But magistrates had few options. An extremely high proportion of those who returned most frequently to Pentonville were homeless and penniless.

Action taken at Pentonville to settle homeless offenders into accommodation showed that such a service could be helpful.

Those are the stories of two men in a study published yesterday of persistent petty offenders.

The ear of one man arrested at Bethnal Green was half-severed from his head and the police felt that a hospital would be unwilling to deal with him in his drunken state. At the police station "he received the medical care he needed".

Part of the study, published yesterday for the Home Office Research Unit, was of some persistent offenders at Pentonville Prison. Two thirds of those serving one month or less in the sample had been born in Scotland or Ireland. Only one was a Londoner.

## Reporter denies provocateur role

From Michael Horsnell Middlesbrough

A former reporter for *The Times* denied yesterday that he had acted as an agent provocateur in persuading a young criminal to make contact with police officers during an investigation by the newspaper into police corruption, in the hope that one would eventually agree to meet him.

Mr Lloyd, who is now a BBC television reporter, also rejected claims at *Teesside Crown Court*, Middlesbrough, that he had concocted notes about the investigation after receiving "advice from certain persons".

Mr Lloyd was giving evidence under cross-examination by former Det Sergeant John Symonds, aged 45, who is accused of obtaining a total of £150 in 1969 from Mr Michael Perry, in return for helping him over an arrest.

Mr Symonds, who denies three corruption charges suggested that Mr Lloyd was eager to write a sensational story regardless of the evidence.

Mr Lloyd replied: "Do not be farcical, Mr Symonds. We were dealing with professional corrupt police officers."

Mr Symonds, who left the country in 1972 while on bail awaiting trial and only returned last May, is conducting his own defence. He asked why his name had not been included in notes taken by Mr Lloyd on October 27, 1969.

Mr Lloyd replied: "You were an extremely peripheral figure in the early stages of the investigation. We were interested in another police officer."

Mr Lloyd denied that tape-recordings allegedly taken of conversations between Mr Perry and police officers, including Mr Symonds, had been partly erased in order to avoid the suggestion that he had acted as an agent provocateur.

## Quiet requiem service for former head of MI6

By a Staff Reporter

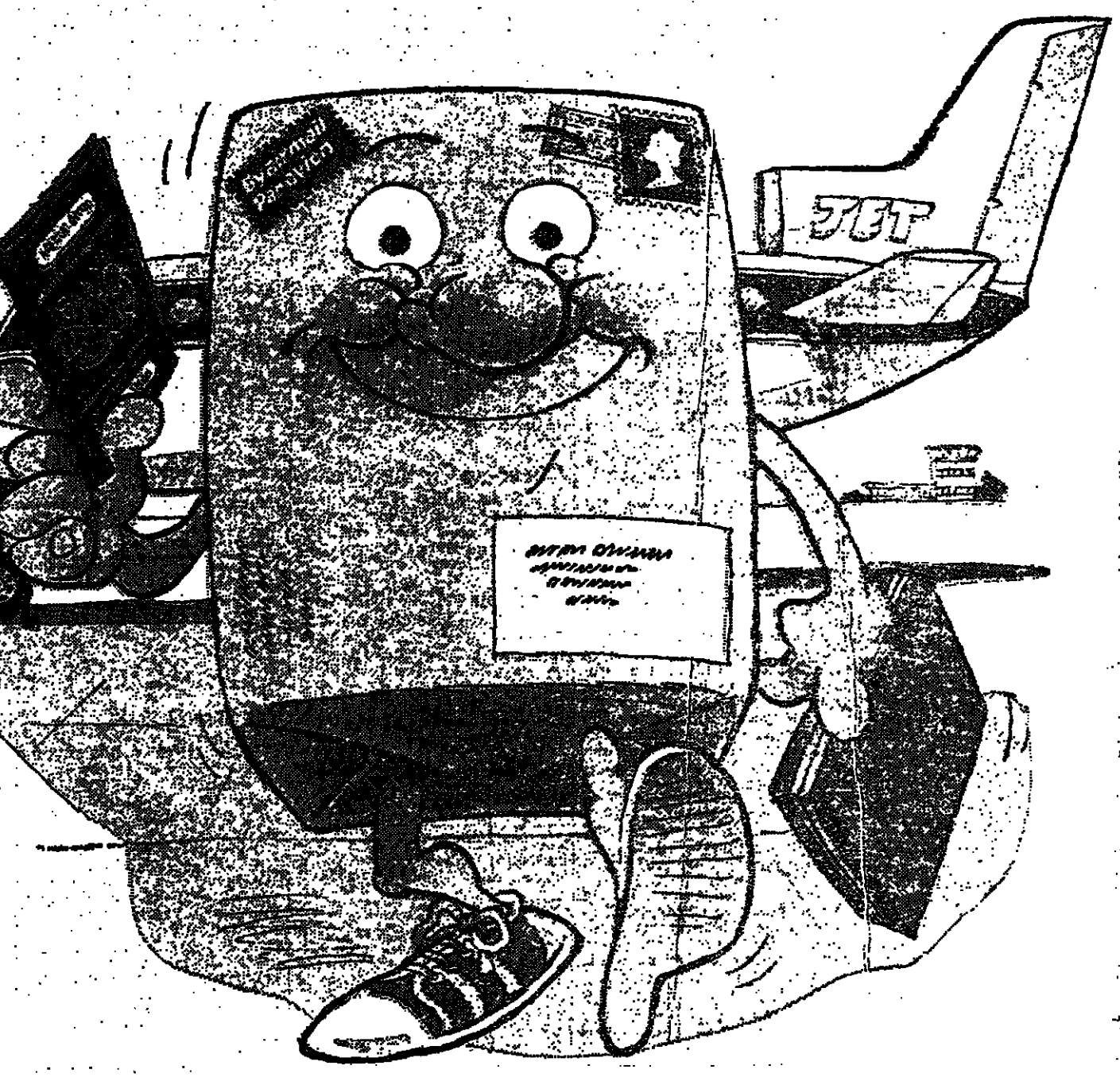
The requiem service for Sir Maurice Oldfield was, as befits a man who spent much of his life in the twilight world of espionage, a quiet affair.

Figures from the secret world of intelligence joined friends and parishioners at St Matthew's Church in Westminster yesterday to pay their final respects to the former head of British intelligence before his coffin was taken to Over Haddon in Derbyshire for a family funeral service and burial.

## Karate governing body lax, inquest jury says

An inquest jury yesterday criticized the Martial Arts Commission, a governing body of karate, for being lax in introducing new safety rules, after a fighter collapsed and died during a karate bout.

But it decided no one was to blame for the death of Mr Joseph Logue, aged 25, who suffered a heart attack, and returned a verdict of death by misadventure.



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## EEC countries agree to issue uniform passports by 1985

From Michael Hornsby  
Brussels, March 17

After more than six years of quarrelling, EEC member states have taken their first modest, if still almost entirely symbolic, step towards the creation of European citizenship.

Foreign ministers of the Ten meeting in Brussels, have agreed to use their "best endeavours" to introduce a uniform wine-coloured EEC passport no later than January 1, 1985.

This does not mean, however, that the ancient proud boast of the peoples of the Roman Empire—*civis Romanus sum*—is about to be revived under the sway of the Treaty of Rome.

The new passport some of the technical details of which still have to be worked out, will neither supplant national passports, nor transfer the authority for issuing them from member states to some central EEC body.

All that will happen is that the present national passports of varying appearance and design will be given a common format and the layout of their contents will be standardized.

Originally, the introduction of such a passport—first approved in principle by EEC heads of government in Paris in 1974—was seen as merely the first step in the realization of the much more ambitious concept of a "passport union".

This would entail the abolition of all frontier controls within the EEC, and their replacement with a uniform system of control at the Community's common external frontier.

In other words, people would enjoy the same frontier. In other words, in the existing customs union, a traveller from a non-EEC state, having once entered the Community, would be free to pass unchecked from one member state to another.

The impossibility of accommodating Britain's strict immigration controls within such a system was only one of many practical difficulties which quickly relegated the noble concept of a "passport union" to the cemetery of the EEC's lost causes.

Indeed, so attached do member states remain to the trappings of political sovereignty that even the apparently harmless Euro-symbolism represented by a standard EEC passport was nearly snuffed out by the demons of national pride and prejudice.

Member states argued over the colour of the passport, the languages in which its contents should be written, and whether the words "European Community" should come above or below the name of the issuing state on the cover.

The jacket of the new 32-page document, it has now been decided, will be burgundy in colour. The European Community will take precedence over the name of the member state, but will be printed in slightly smaller type. National emblems such as the British royal coat of arms, will be retained.

The descriptive data about the bearer will be printed in English, French and the tongue of the issuing state. A glossary at the back will translate the terms used into all eight official Community languages.

Language was one of the most difficult questions to resolve, and some minor points remain to be settled. The Germans, in particular, are loath to concede even the appearance of superior status for French and English.

The British are to be granted some flexibility in meeting the date for the issue of the new passport, which they want to synchronize with the introduction of a laminated plastic card with a machine-readable edge that will replace the present paper containing data about the bearer.

The West German Government is keenly interested. Herr Klaus von Dohnanyi, of West Germany, gave a warning that, if the veto remained, the consequences would be very serious and very dangerous.

The Canada agreement would allow EEC trawlers—in practice, mainly German ones—to catch about 14,500 tonnes of fish, most of it valuable cod, in waters off Labrador and Newfoundland. In return, tariffs on Canadian fish exports to the EEC would be cut.

In an attempt to avert a full-scale row, the foreign ministers were trying here tonight to find a way of enabling Britain to lift its veto on a fisheries agreement with Canada, in

which the West German Government is keenly interested. Herr Klaus von Dohnanyi, of West Germany, gave a warning that, if the veto remained, the consequences would be very serious and very dangerous.

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## Americans fear Libya heads the way of Afghanistan

From Patrick Bregan  
Washington, March 17

Libyan watchers in Washington are inclined to discount the danger that Colonel Gaddafi will turn his country into a Soviet satellite. They believe that Libya may go the way of Afghanistan: that Colonel Gaddafi may be overthrown by a coup and replaced with a leader more amenable to Soviet wishes.

The colonel is fervently against communism because it is an atheistic, secular religion and antithetical to Islam. His constant differences with the Arab Baath Socialist Party in Iraq (now) and in Syria (formerly) derived from its secularism.

He has no wish to lose his independence to Russia and relies on the Soviet Union and East Europe merely as arms suppliers. However, there are at least 2,000 Russian and East European advisers in Libya, Soviet influence on the armed forces is all-pervasive, and he

is so isolated in the world and among the Arabs that he is forced to associate with the Russians far more than is safe. Colonel Gaddafi suffers from one of the world's best documented cases of egomania and believes that he can safely ride the tiger. American specialists are less sure.

The Soviet Union would like to use Libyan ports as bases for the fleet, particularly their submarines. They would like to use Libyan airfields, and Colonel Gaddafi has steadfastly refused them. A further source of Soviet dissatisfaction with him is his invasion of Chad.

The colonel announced some time ago that Chad and Libya would be merged. He believes that the Islamic northern part of that country is an ethnic and geographic extension of Libya, which he sees as the destined nucleus of a greater Maghreb Islamic state, the annexation of which would place Libya at the heart of the Arab world in Africa and the Russians are not

sure that they want to be seen to be associated with it. With Soviet advisers attached to Libyan military units now in Chad, that association is inescapable. On the other hand, from the Soviet point of view, Libya is a main source of hard currency and, at least some of the time, a useful card to play in the poker game with Washington.

It is estimated here that the Russians probably get 10 per cent of their foreign exchange from selling arms to Libya, which pays in dollars. The Russians can sell any amount of equipment, and the Libyans will pay for Russian arms going to other countries, too. For instance, Libya has been replacing all the MIG 23s that Syria loses in air battles with Israel, or by accident.

This is rather like the American relationship with Saudi Arabia or, earlier, with Iran. The main difference is that the Americans are getting back oil.

Those are American dollars that are paying for American arms. The Russian sales to Libya represent a net gain, and apparently the Libyans pay a top price for everything.

Lastly, the Libyans also sell oil to East Europe at favourable rates, thus sparing the Russians from helping their allies and allowing them to export their own oil westwards at more favourable terms.

The Libyans have accumulated enormous stocks of Soviet arms, far more than other armies of comparable size would need. There are some alarmists who fear that the stockpiles are needed for the Soviet Army, if ever it decided to move into Libya; but other experts here think the explanation is simpler.

The total Libyan armed forces number about 50,000; but Colonel Gaddafi recently decided to abolish the Army and replace it with a people's militia of the entire population in arms. He intends to have a militia of 500,000 by the end of the year, and oil companies have reported that their workers disappear for weeks on end for training.

Such a militia needs more arms than a regular army. Furthermore, standards of maintenance are very low. Libya has 3,000 tanks; but no more than 1,000 are operational. These calculations are based on the Libyans' performance in the invasion of Chad.

One expert said that the Libyans use arms, including aircraft and tanks, the way an American family uses paper plates on a picnic. Equipment is abandoned when it fails. There is always a further supply of tanks, lorries and weapons.

The Chad civil war continues. The Libyans occupy the north, but Mr Hissene Habré, the former Defence Minister, still controls the south. He pulled out of the capital when Libya

occupied it in support of President Ouéddei in November. The fighting costs the Libyans eight or a dozen casualties a week, and that could cause serious difficulties eventually. There were reports last December of demonstrations in Benghazi in which the tribes there demanded blood money from Colonel Gaddafi's tribe to pay for men killed in Chad.

The Libyans are said to have put up a better fight in Chad than they did in Uganda (when an attempt to rescue President Amin ended in fiasco), but Mr Habré's forces were the equal of the Libyans. They were defeated by numbers and equipment, not by the quality of the Libyan Army.

Colonel Gaddafi still controls the Libyan armed forces, and the country. There was, however, an attempted coup in Tobruk last August and the recent economic upheavals may have caused considerable discontent.

Mr Joseph Subic, one of the Americans who were held hostage in Iran, on honeymoon in the United States Virgin Islands with his English bride, Alison.

Iran dispute stopped by ayatollah

From Tony Allaway  
Tehran, March 17

Tehran's warring political leaders and the pages of the national press today observed a solemn silence after last night's orders from Ayatollah Khomeini to stop their battle of words.

But close aides of President Abol Hassan Bani-Sadr claimed to have seen a clear and moral victory in the Ayatollah's important statement.

"It is the most political decision the Imam (Ayatollah Khomeini) has made," said one official in the President's office. "It doesn't mean the end of the war but it is very symbolic. Personally I am very satisfied."

Besides, the ayatollah's clearly expressed support for Mr Bani-Sadr as commander-in-chief, political sources pointed to another "very important" decision made by the ayatollah—the virtual dismissal of three Muslim hardliners from the Supreme Defence Council headed by the President.

Little noticed in the initial reaction to the ayatollah's statement last night was his order that the council's formation should accord with the Constitution. Official spokesmen confirmed today that this meant that the Speaker of Parliament, Hajatollah Hashemi Rafsanjani, and two MPs, one the son of Iran's second highest ranking cleric, would have to withdraw.

Political observers are now waiting to see whom Ayatollah Khomeini will choose as his representative on a three-man "reconciliation council". Whoever it is will be able to tip the scales in favour of one side or the other.

Supporters of Mr Bani-Sadr acknowledged that what they had gained from the statement was bought at a heavy price—the public silence of the President. His ability to rally the public to his cause by making speeches against the dominant fundamentalists was his strong-

est, if not his only political weapon. Peace mission: A group of non-aligned countries will visit Tehran and Baghdad in the first week of April to try to end the Iran-Iraq war (Kuldip Nayyar writes from Delhi).

Both Tehran and Baghdad have agreed to receive the group, formed by India, Cuba, Zambia and the Palestine Liberation Organization, as designated by the Non-Aligned Conference in Delhi last month.

Most of the Islamic countries present at the Non-Aligned Conference, felt that a political approach would be far better than a religious one. The last initiative, which floundered, was by a nine-member led by President Sekou Touré of Guinea.

The Islamic proposals envisaged a ceasefire by March 12; withdrawal of foreign troops within nine months; demilitarization of vacated areas; supervision of the ceasefire by Islamic countries; and negotiations against the dominant fundamentalists was his strong-

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## Communists ruled out as Socialist partners

From Our Own Correspondent  
Paris, March 17

In his first appearance on television in the current election campaign, M. François Mitterrand, the Socialist candidate, replied categorically that there was no question under present circumstances of Communists being given ministerial responsibility. If he became President next May, Communist participation in a left-wing government would only become possible when that party had abandoned its present hard line on home and foreign affairs.

The threat of the Communist participation in a Socialist-led government is the weakest point in M. Mitterrand's platform.



## French Presidential Election

and the one, naturally, most exploited by his opponents. He could not afford to allow uncertainty about his intentions on this point to endure without serious damage to his electoral prospects.

M. Mitterrand did not, however, make it clear with what majority he would govern if he were elected.

## M Mitterrand seizes opportunity of using 'Pravda' article to discredit his principal rival

From Charles Margrove  
Paris, March 17

The large pebble cast by *Pravda* into the French electoral duckpond last Friday continues to cause increasingly wider ripples. M. François Mitterrand, the Socialist candidate for the presidency, said on television last night that he understood why the Soviet newspaper, that is to say the Soviet Government, was pleased with President Giscard d'Estaing.

"It was natural that he should receive a wage for his journey to Warsaw," M. Mitterrand said. "Why is *Pravda* displeased with me? Because I did not wait 11 days to protest against the invasion of Afghanistan, like the outgoing candidate."

A further reason for Soviet displeasure was that he had publicly drawn attention to the threat to Western Europe from the Soviet SS20 medium range missiles. Another consideration which weighed in the Soviet Government's attitude was that it usually favoured the man in power.

M. Giscard d'Estaing earlier told representatives of 14 regional newspapers — with reference to the *Pravda* article — that "the only votes I ask for are those of French men and women. I ask for no others."

The Soviet daily, in a report on the campaign, had said: "M. Giscard d'Estaing has gained personal authority as a cautious and reserved politician, in particular in the international arena."

The *Pravda* article came after the strictures of M. Jacques



M. Mitterrand: Only wants votes from the French.

Chirac and M. Mitterrand against the "weakness" of the Government's policy towards Russia, and its failure to react energetically to Soviet intervention in Afghanistan.

M. François-Poncet, the Foreign Minister, in a full page interview in *France Soir* yesterday, weighed into the controversy. "That appreciation is made not only in Moscow but in Washington, Bonn, London and Geneva and indeed in all the major capitals," he said.

"The voice of France is heard. Our country counts in the affairs of the world. What is this due to? Largely to the authority, self-control, experience and personal prestige of the President of the Republic."

There is only one quarter

in which this evidence is contested: among the candidates to the Elysée. The reasons are easy to understand."

The *Pravda* article, after its positive judgement on President Giscard d'Estaing's policy, mentioned the economic situation and went on to say that "the political opponents of M. Giscard d'Estaing made him carry responsibility for unemployment, the trade deficit, and inflation."

But it did not identify itself with these opponents. Of M. Chirac, the paper noted that he found himself in a "complicated situation."

As for M. Mitterrand, he had no "clear and consequent political programme," trying to reconcile the "often very contradictory interests of broad groups of voters."

*Pravda* repeated the French Communist charge of the "switch to the right" of the French socialists and wondered whether its opportunism would not lead them to some compromise bargain with the "bourgeois parties of the centre."

M. Georges Marchais, the Communist candidate, was quick to point out over the weekend that *Pravda* also emphasized that he had a "clear and straightforward" programme for the defence of the interests of the working people and for a "really independent foreign policy."

M. Marchais added that he was opposed to all interference by a foreign political leader in French politics. "The policy of France is decided neither in London, nor in Washington, nor in Bonn, nor in Moscow but in Paris and nowhere else," he said.

## Major Haddad warned that UN troops in Lebanon will fire if attacked again

From Robert Fisk  
Tibnin, southern Lebanon  
March 17

In the strongest statement of its kind yet made by a commander of United Nations troops in Lebanon, Major-General William Callaghan today angrily denounced "barbaric killing of two of his Nigerian soldiers by the Israeli-backed militia of Major Saad Haddad."

The general issued a warning that the United Nations force here would "protect itself with the defensive weapons at its disposal" if it was attacked again. The United Nations in Lebanon, he said, would not be "intimidated by wanton and brutal acts."

He added: "It is never open to me to negotiate under threat of fire and it is not my intention ever to do so."

Previously, under General Callaghan's predecessor, Major-General Emmanuel Erskine of Ghana, United Nations troops had been fired upon by Major Haddad's tanks and artillery. General Callaghan's statement today was intended as a firm and serious warning that his soldiers would no longer tolerate being shot at with impunity.

As a young Irish officer said later in his battalion headquarters at Tibnin: "It's a great feeling to know that morale is going up. It's great to know that when some bugger starts shooting at us, we can shoot back at him."

The general's words came less than 24 hours after the Haddad militia in southern Lebanon had fired shells into the Nigerian battalion area of the United Nations-controlled territory north of the Israeli frontier. A Nigerian officer and a corporal were killed and at least 16 were wounded. Two Lebanese soldiers were also badly hurt.

Immediately after this bombardment, Major Haddad's battalion observation posts around the village of Pater and it transpired today that they used phosphorus shells in their attack.

This morning, General Callaghan appeared at Tibnin only a few miles from both Yater

## Mr Peres objects to US planes for Saudis

From Alan McGregor  
Geneva, March 17

Strong objections to the United States decision to sell four radar early-warning aircraft (Awacs) to Saudi Arabia were voiced today by Mr Shimon Peres, the leader of the opposition Israeli Labour Party.

"This is a very serious problem for Israel," he said in a press conference. The aircraft cancelled out "all radar installations, giving the Saudis a degree of control over the skies that makes life for all countries extremely difficult—an additional item in an already very tense arms race."

If the United States wanted to sell aircraft to Saudi Arabia that country should first declare itself for peace and support the Camp David agreements. "Policies should come before technology," not the other way round.

He believed that a Middle-East settlement must have political agreement as the first step.

Mr Peres, who expects to head a new Israeli Government after the June election, was no less emphatic about his country's refusal to accept Egypt in signing and ratifying the treaty on non-proliferation of nuclear weapons.

"Non-proliferation makes sense when you have peace," he said. "But if there is no peace how is it going to help you?"

What are you going to do with a country like Iraq, in a state of war with Israel and trying to build nuclear reactors? What is the use of being in the non-proliferation treaty with Libya and other countries?

"We are not ready to make life easy for everybody around us and be victims of anybody. If people want us to sign the non-proliferation treaty, we want the very same people to do something about bringing peace to the area."

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## In brief

### Israeli jailed for robbing Arab

Tel Aviv, March 17.—An Israeli paratrooper was sent to jail for 10 weeks by a military court yesterday after he had admitted stealing a purse from an Arab, in a village north of Jerusalem.

The soldier was also given a suspended sentence of three months for the offence, committed during a house search in Silwad last December. Another soldier who participated in the search received a suspended sentence for beating a villager.

First of Finnish jet batch in fatal crash

Helsinki, March 17.—The first Hawker Siddeley Hawk jet trainer aircraft of the Finnish Air Force has crashed in Tampere, southern Finland. One of the two pilots was killed.

Finland has bought 50 Hawks and the first one, destroyed in the accident, was delivered last December. Four of the jets are to be built in Britain, while the rest will be assembled in Finland.

Soviet envoy expelled

Monrovia, March 17.—The Liberian Government has declared Mr Ivan Muxykia, a Soviet diplomat, *persona non grata*. He was given 48 hours to leave the country.

Drug sales stopped

Zagreb, March 17.—The Zagreb Immunology Institute in Yugoslavia, which manufactures interferon, the cancer drug, has stopped sales of the product to private individuals because of black market dealing.

Andes tension eases

Lima, March 17.—Peru and Ecuador have begun to withdraw their border troops reinforcements, paving the way for a full resumption of ties between the South American countries, the Peruvian Government said.

French find tenth farm case of foot and mouth

Paris, March 17.—The sanitary cordon around the village of Henansal in Brittany was extended today after the confirmation of a case of foot and mouth disease in a pig on a farm outside the area enclosed by the original cordon when the outbreak started a fortnight ago.

The cordon now extends round an area 15 miles long by three miles wide. Animals in all surrounding areas have been vaccinated.

Although the latest case, the tenth so far reported, was outside the area enclosed by the original cordon, it was on a farm where vaccination had been carried out.

Jailed Swiss spy conducts a phone-in

Geneva, March 17.—Mr Jean-Louis Jeanmaire, a former brigadier in the Swiss army now serving an 18-year sentence on charges of passing secrets to a succession of Soviet military attachés in Bern, has astounded the public by speaking live from prison on the main programme of Radio Suisse Romande.

His trial, in June 1966, was the high point of the most sensational espionage affair in Switzerland. Before retiring he had commanded civil defence troops.

A telephone call from Mr Jeanmaire to the presenter of a radio programme dealing with his case went straight to the air in phone-in fashion. Mr Jeanmaire, now aged 71, asked that extracts from recorded interviews recently given to a journalist should not be broadcast.

What was said in those interviews was intended for a book to be published after I had seen it, not for newspaper or radio use," he said. "On the request was granted and the programme was shortened. How he was able to telephone the radio station direct from prison has yet to be explained.

In articles being published by a Lausanne newspaper, Mr Jeanmaire is quoted as saying that the charges against him were trumped up because of personal rivalries and in order to impress upon the country that "the Russian enemy is at the gate."

He is also quoted as saying that he had signed a confession after lengthy interrogation when he was "so morally and physically worn down" as to be incapable of reading it. Inter-

# BRITAIN'S ENEMIES KNOW SOUTH AFRICA'S MINERALS ARE AS VITAL TO THE WEST AS MIDDLE EAST OIL.

Nobody underestimates the importance of Middle East oil although alternative sources do exist.

But this is not true of strategic minerals such as manganese and chrome, both essential for making steel.

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And South Africa's platinum is necessary for refining North Sea oil.

The international role of South African gold is, of course, indisputable.

No substantial alternative sources exist in the Free World.

And there are no substitutes.



For further information write to the Director of Information, South African Embassy, London.



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## 106 jobless held after attack on union officers

From Our Correspondent  
Naples, March 17

Naples police today transferred to prison 106 unemployed people who had been arrested after they occupied and ransacked the local headquarters of the communist CGIL trade union confederation during the night. They were accused of seditious activities and other charges after clashes in which 11 police and six demonstrators were injured.

In the offices of CGIL, the biggest of the Italian trade union confederations, furniture was destroyed and typewriters were looted, while cars in the street below were broken into and their radios removed.

The Naples unemployed, whose number is estimated to have grown to more than 150,000 since the earthquake in November, have formed their own organizations which have negotiated outside the trade union framework with Signor Franco Foschi, the Minister of Labour, and won promises of paid training courses for 10,000.

For over a month they have been demonstrating in the town centre almost daily.

Johnny Owen inquest

Los Angeles, March 17.—The inquest into the death of Johnny Owen, the Welsh boxer, has been postponed for the third time. A coroner's spokesman said that the latest delay was made "to compile more information".

## EEC agrees to provide food aid to China

From Our Own Correspondent  
Brussels, March 17

EEC Foreign ministers agreed in principle in Brussels today to provide food aid to China, which has requested it for the first time since the communists came to power more than 30 years ago.

The Chinese have made their needs known very discreetly. The Peking Government has prided itself on its ability to feed its huge population, unlike India.

China's problems have been caused by a disastrous mixture of flooding and drought in the two provinces of Hubei and Hebei, which has destroyed agricultural crops.

Estimates of the disaster varied here. British sources suggested that as many as 190

million people might be directly or indirectly affected 130 million of them acutely.

Irish officials, however, put the total at 45 million, about 45 per cent of the population of the two provinces which they estimated to have lost 50 to 80 per cent of their agricultural output.

According to the Irish, the Chinese are seeking sufficient food aid to enable them to increase food intake a head to 650 grammes a day from the present level of 400 grammes.

The foreign ministers agreed, subject to further discussion of the detail by officials, to make available to the Chinese about 2,000 tonnes of milk powder and 8,000 tonnes of rapeseed, worth just under £3m.

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## Social Focus

# Behind the violence, Ulster's shameful poverty

The real tragedy of Northern Ireland, usually obscured in a province where a stubborn refusal to see the wood for the trees is essential to the way of life, is that those opposed to the British connexion and those opposed to an Irish one are fighting the wrong battle.

They are encouraged in their foolishness by the general tendency in Britain to regard the increasingly distasteful Ulster link as a political and security problem rather than as a social and economic problem with ethnic and religious dimensions.

The bombings and killings, the political posturing and the toings and froings continue to command the headlines, but behind them lies an awesome accumulation of social deprivation and outright poverty which can fairly be said to be a disgrace to western civilization. This has been said before, but hardly enough for it to have become a cliché.

The first Ulster person I heard saying it was Bernadette McAisley, nee Devlin, in a Londonderry pub in 1968, just as the present prolonged bout of sectarian violence began. The shooting and destruction continue in a desultory way, with Mrs McAisley very nearly becoming a fatal casualty recently. But it is still the wrong fight, and poverty goes on gaining ground at an accelerating rate without, now, noticeable discrimination between Protestant and Catholic, whatever the former may still do to the latter.

### The growing problem

Political causes which turn people into demolition experts and murderers and lead them to foul their own nest with spectacular insouciance cannot be taken lightly, still less ignored. Britain has done neither, but it remains true that few British people are directly responsible though they now are for the province, have grasped the growing immensity of the problem of poverty there and none has done much more than tinker with it, as the present condition of the place proves in Belfast said: "I am not sure whether money alone is the answer to Northern Ireland's troubles. I do know that there can be no solution without it."

In the regional "league tables" of social and economic indicators for the United Kingdom, Northern Ireland usually lies at the bottom

when it is best to stand at the top and vice versa. Its disadvantages are aggravated by distance, both physical and psychological.

Figures collated from various sources show the province has the highest proportion of dependent children and the highest birth rate in the kingdom. It also has the highest death rate, the lowest life expectancy and the highest infant mortality.

Northern Ireland consumes less alcohol than the rest of the UK but has the most alcoholics, a curious manifestation of local drinking patterns: more than 40 per cent are teetotal compared with about 9 per cent in Britain, but those who drink more than make up for the abstainers.

The province, has by far the highest unemployment at 17.3 per cent (34.5 per cent in Strabane, more than 50 per cent in parts of Belfast) and the highest number of long-term unemployed (as well as the most self-employed). The appalling catalogue goes on and on: lowest personal and household income, greatest dependence on social security, highest domestic fuel expenditure, fewest household durables and housing amenities, highest proportion of housing unfit for human habitation, lowest reading standards (but the lowest in the UK), lowest IQ and the highest congenital abnormality and mental handicap rates.

Such good fortune as can be found in depressed Britain, notably plentiful if not exactly cheap "home-grown" coal, natural gas and oil, is denied to the northern Irish. Even with a £40m a year subsidy from the Government, electricity costs 22 per cent more than in Britain because nearly all of it comes from oil-fired power stations. Coal costs 12 per cent more, while the small but expensive town gas network in the province is being phased out.

On her recent visit to Belfast, Mrs Thatcher promised that electricity prices in the province will be held until Britain's catch up that few British people are directly responsible though they now are for the province, have grasped the growing immensity of the problem of poverty there and none has done much more than tinker with it, as the present condition of the place proves in Belfast said: "I am not sure whether money alone is the answer to Northern Ireland's troubles. I do know that there can be no solution without it."

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homes in the province to prevent discrimination by local authorities against Catholics, the condition of the province's housing was 15 years behind Britain's. "Belfast has the worst housing in western Europe," he said.

The miserable quality of most of the city's housing in Protestant and Catholic areas alike tends to stifle the inexperienced. The full flavour is acquired by walking round the city in the rain, not from the windows of a car, official or unofficial.

Condensation runs down the inside of windows on a mildish winter's day, attesting to damp and inadequate heating. Ingrained dirt actually shines from the wall of a hallway glimpsed through an open door, furnished by generations of shoulders overburdened by most things except paid work.

### 'The rats don't run

Empty houses, boarded up, and overcrowded houses bursting with people who have moved for safety into one ghetto or another look and sound the same: a mass of mud-colored, cluttered streets or overlooked by a high wire security fence.

"The only rat you'll see round here is on the rats," said an eloquent housewife in west Belfast. "And they don't run, they walk." That is not strictly true. The people on the streets are sometimes overweight, pasty-faced or of blotchy complexion from poor diets. The crumbling cars and swirling rubbish march the lank hair, bad teeth, split shoes and shoddy clothing all around. Troubles or no, there is much to be pitied, probably more among Catholics than Protestants. Much of this might also be found in southern Italy, but there at least the sun shines — and there is only one religion. On the Protestant Shankill Road, the benefits of being British seem as remote as the ruins of the Boyne its murals celebrate.

Professor Peter Townsend, author of the trenchant work *Poverty in the United Kingdom*, once said of the Shankill Road district: "I had never before been anywhere in the United Kingdom where there were so many evident signs of poverty, and I remember two incidents in particular. In one street I saw two red-haired children selling coal by the pound from a handcart. Then a short distance away I noticed young girls looking for work in a second-hand clothes shop. This seemed to be a poignantly signi-

cant manifestation of hardship, unique in the United Kingdom. That was in 1969. It seems no different now.

At the notorious Divis flats, slums from the day they opened, vandalism used to cost £500 a week. Intruders (presumably) urinated in the lifts, so vital to elderly people imprisoned in the tower block, and defecated in the hallways. Eventually the Housing Executive took defensive measures. Tempered steel lift doors were specially ordered from the local Harland and Wolff shipyard and two watchmen were engaged for a total of about £150 a week, an intelligent piece of job creation which produced a net saving of £350 a week.

"Unless we get a lot more money soon," said the Housing Executive official, "we won't even be able to stand still. There are 32,000 families on the waiting list, two thirds of them in acute need, and it grows by 2,000 a year." The Executive estimates 192,000 homes, about 37 per cent of the province's total stock. The official thought (he had no means of confirmation) that about 50,000 tenants of the executive were getting supplementary benefits and another 20,000 rent rebates. He thought that another 20,000 were entitled to help but did not draw it.

Small wonder that there is a formidable and still growing public debt in Ulster, now exceeding £31m, which represents in a province of a little more than 1.5m people a total of £20 for every man, woman and child, owed for unpaid rent, rates, electricity and gas. The statistics are difficult to disentangle because those who owe in one category are the most likely to owe in others, but it would appear that 100,000 householders share the total debt, an average of £300 each.

The public debt originated in rent and rate strikes 10 years ago and more, but administrators, social workers and other carmen in the bureaucracy that the bulk of it now is evidence of inability to pay on grounds of acute poverty. The Housing Executive will increase all rents by an average 38 per cent in May on Government orders. The Executive official said: "This is a bloody silly, draconian approach. We could also employ many more people and have our pick, too, but we're not allowed to do that either, for the same doctrinaire reasons."

Eileen Evason, lecturer in social administration at the New University of Ulster at Coleraine and a leading figure in the "Poverty Lobby" which gathers infor-



Slums in the Lower Falls area of Belfast

mation on need and tries to draw attention to it, has produced a number of vivid reports with catchy titles like "Ends that don't meet" and "Just me and the kids" on one-parent families, of which Ulster has far more than its fair share.

Ms Evason thinks Northern Ireland is at the end of its tether. "We are so far down the line that we can't take it any further. The social situation is explosive because of all the poverty here. People could get killed because of this. Every cent in spending has a disproportionate effect on us. Deliberate discrimination on religious grounds is fading, every day, but the social situation is still a disaster. Last week's Budget will on this basis add several more turns of the screw."

### Higher cost of living

It is clear that Britain's overstrained social security system cannot cope with Northern Ireland's problems, the most obvious of the several reasons being that payments are too small.

But there are other factors. There used to be positive discrimination in Ulster in that fuel subsidies took account of the higher prices charged. This practice has been abandoned. The system never did take any real account of the higher cost of

living and all the other disadvantages relative to Britain to be found in Ulster.

The system also faces the wrong way. Instead of being active in looking for ways it can help, it is passive and waits for people to find out what benefits they might be entitled to and to claim them. The forms are usually dreadfully "official" and impenetrable to all but the well-educated and practised claimant, a contrast in terms to the recent Ulster Television dramatized series, intended to show what benefits exist, worthy though the motive was. Another series is planned.

The Government claims that public expenditure per head is 30 per cent higher in Ulster than in Britain, but independent observers argue the margin down to a mere two per cent when special factors such as the emergency are taken into account. Any suggestion that the Government should pour money into Ulster until it achieves social and economic parity with Britain is met with helpless references to cash limits. The same Government is pouring the balance of £70m into a factory making luxury sports cars for the American market in the middle of

a world energy crisis, for the sake of 1,000 jobs.

The more one sees of the present condition of Northern Ireland, the more convincing the argument becomes that the answer to its problem is above all well thought out injections of money in large quantities. The economic philosophy of the present Government is based on the analogy of the good housekeeper who tries to live within his means. The same good housekeeper is capable of forgoing a holiday to convert an abandoned loft into habitable living-space.

West Germany supports an enclave too, in West Berlin, which it keeps alive not only by a massive special subsidy but also by excusing residents 50 per cent of their tax liability and ensuring that they pay no more than the going rate for essentials. Is there a lesson here?

It is difficult to relate Northern Ireland to Britain because of the troubles and because it is so far away. But its social and economic problems are only extensions of Britain's own malaise, and I saw nothing there I had not already seen in Strathclyde, on Merseyside and Tyneside. There was just more of it in a smaller space.

The real relevance to Britain can be set down in the form of a simple rhetorical question: what would a British Government not have done had a similar situation arisen in Kent?

Dan van der Vat

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THE ARTS

Intimate revue with its roots in the 30s

Up in the 80s  
King's Head

Ned Chaillet

Dan Crawford is as clever a manager as any theatre can expect and his choices have a way of proving popular so far be it from me to complain that *Up in the 80s* is rooted deep in the 1930s. In its glamorous ocean-liner setting, the revue could even be accused of reaching back to the Roaring Twenties for its style, but the mood is morbid, gaudy, depression mercurial, and I am sure that it moves at least as fast as 1933. It moves no farther, despite looking songs about neutron bombs and microchips, and a lot of the 1980s material is very resistant to immersion in the 1930s style of Neville Phillips and Robb Stewart, words and music respectively.

Dedicated company in quest of a text

The Theatre of Mistakes  
Jeannetta Cochrane

Anthony Masters

Anthropomorphic furniture seems, so far, to be one of this year's theatrical features. But between William Saroyan's *Playthings* and the Theatre of Mistakes' *Homage to Morandi* (playing lunchtime this week at the Jeannetta Cochrane) is the dance separating Hanslick and Scriabin.

Daphnis and Chloe

Covent Garden

John Percival

An almost completely shuffled cast of principals in *Daphnis and Chloe* at Covent Garden on Monday still left the ballet looking sadly bedraggled. The one positive gain was to have Rosalyn Whitten as Lykianon, throwing herself at Daphnis with a convincingly greedy appetite. Such a shame, then, to have him look absolutely shattered at what he apparently regarded as a fate worse than death.

Billy Cobham

Round House

Richard Williams

The Camden Festival Jazz Week opened on Monday with an evening of unusual variety. We heard music which resembled advertising jingles for instant coffee, music which might have been designed specifically to soothe delayed passengers in airport lounges, and passable imitations of disco music and that egregious variety of rock and roll known as heavy-metal. What we did not hear was much jazz.

Robin Williams gets a tall order in Popeye



Robin Williams (Popeye) and Shelley Duvall (Olive Oyl)

Popeye comes back to the screen at the beginning of next month, in time for the Easter holidays. This time he is not in cartoon form, but a live actor in the shape of Robin Williams. Joan Goodman talked to Mr Williams, night-club entertainer and star of *Mork and Mandy*, in Los Angeles.

Two years ago the producer Robert Evans asked the comedian Robin Williams, familiar to British audiences from the *Mork and Mandy* television series, to play Popeye on film. "The idea terrified me when he first mentioned it," Williams admits. "But he was so positive in his approach. He asked me: 'Haven't you thought about it? Haven't you ever wanted to play Popeye?' You start by being polite and lying—'Well, yes, I guess now you come to mention it I have'—and end up by being convinced."

Popeye's reincarnation by a live actor comes half a century after the pugnacious righteously sailor first appeared as one among many characters in E. S. Segar's "Thimble Theatre," comic strip. Popeye, his shrewish girlfriend Olive Oyl, the gluttonous Wimpy and the villainous Bluto were, an immediate hit with Depression-era readers in the United States. Later, the sailor with a passion for spinach appeared in cartoon series made for cinemas, then for television.

Popeye demanded was nothing new to Williams, whose over-the-top stardom in *Mork and Mandy* has led to a succession of 16-hour and 18-hour days. Despite the reputed \$30,000 dollars a week he gets for the series and the dispensation to ad lib his own lines in addition to the written script, Williams still finds his *Mork* role creatively stifling. That is not surprising once you have met him. Even when only two of you are present, a conversation with Williams regularly features a dozen or so extra "characters" Williams adlibs. He shrugs off then shuffles between at lightning speed. They include the Beverly Hills Blues Singer ("Woke up this morning... ran out of Perrier"), the children's television host who puts a hamster in a microwave oven to demonstrate the effects of radiation ("Pop goes the weasel") and the elderly wino from the year 2000 ("Maybe you remember me. I used to play an alien on television. Wasn't so funny after they landed").

Williams is the son of a Detroit automobile executive, now retired. "The craziness comes from my mother. She's from the South. My discipline comes from my dad." Although he has several half-brothers and half-sisters, he was raised as an only child. "I was this lonely little fat kid. When I was by myself, I would invent conversations with other people. I used to tape comedians off the television and study their voices. I also collected armies of toy soldiers and took them on manoeuvres. Kind of scary, huh?" "My parents didn't mind when I said I wanted to be an actor. My father just asked me to learn a trade as well. So I'd have something to fall back on."

It was a reasonable request. I went to welding school and lasted one week until the instructor said: 'You can kill yourself if you don't use this torch properly.' I thought: 'Oh, oh, I'm not willing to die.' Drama training at the Juilliard School in New York, and experience as a stand-up comic in San Francisco followed before Williams moved to Los Angeles and broke into television.

"I'm still learning how to act for the camera," he admits disarmingly. "Everything's happened so fast—this is only the third season for *Mork and Mandy*. But doing Popeye was fun. It was like going back to the discipline of acting after the freedom of stand-up comedy. We filmed on Malta for six months between January and June. It was like a holiday for me—it was wonderful to get away from being recognized and asked for autographs. Valerie (Williams's wife) and I even managed a couple of days off in London. We saw *Nicholas Nickleby* with the Royal Shakespeare Company, the most exciting piece of theatre I've ever seen."

Williams says he wants to do theatre himself. But first there is a film script he is writing with a partner and will star in—"Going the Woody Allen route", he laughs. Charles Joffe, who manages Williams, also manages Allen. And will he direct himself too?

"Oh, no, maybe one day, but it's years away. I saw what a director has to go through on a film set. I had to wear as Popeye right was a nightmare. The rubber wrinkled, they cut off circulation in my arms. Then the first costume they gave me was all wrong. So much of a film depends on thousands of details like that, all of which Altmann had to oversee at once."

"About a week into rehearsals, I went to see Bob [Altmann] and we talked about the character. We decided Popeye should evolve through the film. The other people were all cartoons to begin with but he starts out as a realistic sailor looking like Popeye. Gradually he gets drawn into their world. Then Bob said that, besides saying the written lines in my Popeye voice, I could do a lot of mumbling under my breath. We figured Popeye was a lonely sailor who'd grown used to talking himself. Bob said I could ad lib the mumbles—they'd be for me. On one or two occasions, when I went too far, they simply lowered the sound."

Joan Goodman

Exciting opera by Stockhausen

Donnerstag  
La Scala, Milan

William Mann

The more advanced composers of our day insist that opera is an antique, a no longer-viable musical genre, but they cannot do without it. All music is about human experience, articulated in audible gestures or evocative tableaux, the dance and the song, the wholly exhibitionistic, therefore requiring some sort of stage. However pure your creative intentions may be, however remote from the legacy of Monteverdi, Mozart, Verdi, Wagner and Puccini, your platform is a theatre, and sooner or later you cannot (and should not) resist the summons.

Karl-Heinz Stockhausen, the most restlessly questioning composer of his generation (he was born in 1924), is infinitely and completely out of sympathy with his musical inheritance, has also succumbed, and honourably. His first true opera, a work in three acts, had its premiere on Sunday at the opera-house of Mecca, La Scala in Milan. Hostages were not given to this great act of fortune: the work is totally typical, original in every respect.

Michael learns to speak, to shoot wild animals, a young playmate, too, also to sing the patriotic songs which his father loves but for which Michael has not much time.

From his mother Michael learns music, and love. Her husband is the bass-horn player, but when she offers him a toy one to play he prefers his father's gift of a trumpet—not for martial fanfares but for rallying calls of a peaceful, more coaxing nature. Mother produces two other children, also a female dancer, an extension of herself whom little Michael watches with fascination. The gentle melodious warbling of the bass-horn returns to him in adolescence, personified by a girl, half-bird, who plays that instrument in a forest where he is walking with his trumpet, and who completes his sexual education.

The mother suffers a nervous breakdown and dies in a mental hospital. Father goes to war, and is killed, together with his trombone-playing and dancing other selves. They return, disguised, as the jury of Michael's entrance examination to musical conservatory: he passes, with flying colours in singing, trumpet-playing and ballet, recapitulating his childhood experiences in terms of his relationships with, respectively, mother, father and independent self. An important character here is Michael's piano accompanist, role expressly designed for, and fortuitously played by, Stockhausen's daughter, Majella.

That is the first act of *Donnerstag*, musically conveyed by electronic background to song, speech, a whole vocabulary of intermingled articulate sounds, with which all three characters punctuate their singing, and instrumental solos, plus choral music pre-recorded in Germany and relayed around the auditorium here.



Karl-Heinz Stockhausen

ings. Mondeva, Michael's bass-horn avian sweetheart, returns also, recalling him from his travels for an instrumental love duet and final departure together, pursued by catcalls from the clowns. It is all high-spirited, and eventful, large-textured music in which one does not have time to regret the absence of singing voices.

They will return in the third act, which takes place in Heaven where Michael and Mondeva are welcomed by Mother Eve with a festival of song, choral music, dance, botany and coloured light-pictures. We move here quite close to the more recondite of Goethe's special studies, and indeed the form of this third act has not a little in common with the final scene from part two of *Parsifal*, as set by Mahler in his eighth symphony. Lucifer, a projection of Michael's father, makes an unwelcome intrusion, but is finally ejected, and the opera ends with a vision in which the three Michaels take their leave of the audience.

Cast changes in Coppelius

Dudley von Loggenburg is undergoing medical treatment and was therefore replaced last night in London Festival Ballet's production of *Coppelius* at the London Coliseum by Ben van Cauwenbergh. At the Saturday matinee Jay Jolley will be making his debut in the role of Franz, and next Wednesday Nicholas Johnson will dance the role.

RSC to do La Ronde

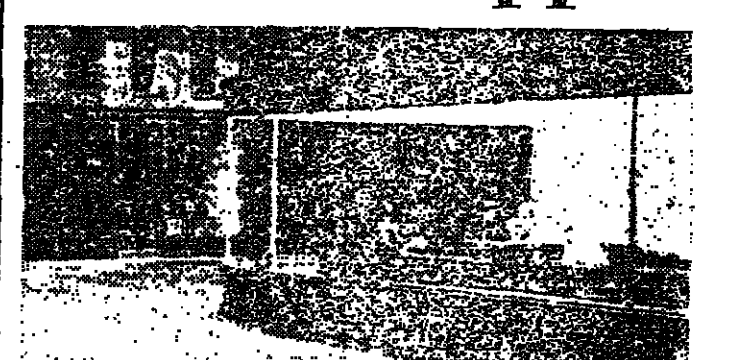
The Royal Shakespeare Company is to present Arthur Schnitzler's play *La Ronde* in London next January, in a production by John Barton with a cast including Susan Fleetwood, Richard Pasco, Judy Buxton, Michael Pennington, Barbara Leigh-Hunt and Carol Royle.

Maxwell Davies works for Bath Festival

The premiere of Peter Maxwell Davies's piano sonata, given by Stephen Pruslin, will be one of a series of first performances at this year's Bath Festival, which also presents the first English performance of the composer's opera *The Light-house*.

In the festival, from May 22 to June 7, there will be premieres of an electronic work by Denis Smalley, *Word Within*, a new piano work by Nigel Osborne, and John Mayer's *Ragamalas* for cello and tanpura. Among the artists appearing will be Julian Bream, the Beaux Arts Trio of New York, Andre Tchaikovsky, Bob Berkly and Cécile Ousset.

Edward Hopper



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Some of the notices on this page are reprinted from yesterday's later editions.



## SPORT

## Reasons for Liverpool to tread with caution

Once again, some of England's brightest prospects will be playing in an England 'B' game against Spain in Granada on the same day as the international match. Devonshire and Shaw had legitimate claims for promotion to the senior party and it is regrettable that they are not being given experience at the higher level.

chances, but once the second goal went in, time was against them.

The second goal suggests that Channon drove a penalty straight at McDough and the ball came up into the air and over the bar.

In the eighth minute Channon's appearance, replaced Channon and immediately had an impact on the game and he was able to run up the left wing he was fouled and quickly flighted an accurate free kick into the goal.

McDough and Williams, with an innocuous-looking bouncing shot deceived the goalkeeper.

SOUTHAMPTON: P. Wells; J. Watson, N. Holmes, Williams, G. Gibson, D. Cresswell, W. Hargrave, B. Moran, A. Ball, G. Baker, S. Evans.

EVERYTON: J. McDonagh, J. Gidman, M. Stanger, R. McInnes, I. Stanger, A. Morrison, J. Hartford, T. Ross, J. Brown, G. Bostwick.

# Wasteful Wolves

## marvellous opportunity

By Nicholas Hurling

**Birmingham 1 Wolverhampton 0**

With profligacy that they can call Stafford in their still precarious financial position, Wolves have sent Wanderers last night lost wanderers rearranged game at St Andrew's as well as the opportunity of securing more space between them and the ream at the bottom of the first division.

Had Wolves finished with anything approaching precision they would have surprised Wolves by their appalling record of not having won away from home in 100 competitive matches almost a year.

As it was Bill Nicholson, the representative of Tottenham Hotspur, the team Wolves meet in the FA Cup semi-final round on April 14, and the rest of us watched in disbelief as Birmingham won a game in which they could have received a hiding.

From the evening of the third minute it became obvious that Wolves had decided that the depressing sequence had gone on long enough. Bill Nicholson, thrown by Parry, Richards shot against the legs of Welbourn, Dennis clearing the rebound for Charlie Gilchrist, the next too long, after rounding the goalkeeper in Wolves's next raid and Gallagher was able to clear. An early goal from the next raid from Richards, Clarke was denied

aid they had to carry their own baggage for two hours before being taken to an hotel just after midnight.

Before taking the squad out for their pre-match training in Tbilisi tonight, Mr Lyall said: "We are mentally exhausted, absolutely exhausted. What do you expect after 26 hours of that?" West Ham are trailing 4-1 from the quarter-final first leg against Atlanta Tbilisi and will need to pull off a sensational win if they are to reach the last four.

[illegible]

**FIRST DIVISION:** Manchester United  
Nottingham Forest 7.35. Stoke  
City & Manchester City.

**THIRD DIVISION:** Exeter City &  
Rotherham United.

**FOURTH DIVISION:** Peterborough  
United & Tranmere Rovers.

**SCOTTISH PREMIER DIVISION:**  
Glasgow Celtic & Partick Thistle; Rangers &  
Motherwell United.

**SCOTTISH FIRST DIVISION:** Dundee  
Dumfrieslin Athletic Falkirk  
Motherwell; Hibernian & St Johnstone.

**SCOTTISH SECOND DIVISION:** Cow-  
denpath & Clyde; Dons & Meadow-  
side; Perth & Raith Rovers; Brechin City.

**WELSH PREMIER LEAGUE:**  
Cardiff City, Swansea, Newport, Wrexham,  
Merthyr Tydfil, Victoria, & Scarborough

In the first half at Anfield Sofia were the more scilicid side and had the finishing been accurate their task tomorrow would have been much less difficult.

The lesson from Saturday's match against West Ham was that they must finish their goals before scoring early to restore faith in themselves. They are also unsure of themselves without Thompson, who has been injured through treatment to an injured thigh. Their frustration when they fail to score arrives earlier than it did last time and it seems no big thing if tomorrow if they sought to increase their lead in the first 15 minutes, thus at least balancing the books.

Bob Paisley, the manager, cannot expect Souless to score with such explosive Shouts as he did in the first half of the Derby Sofa centre-forward, Djervkov, to miss so many chances again.

The Bulgarians have had a fortuitous opportunity to sharpen their physical fitness by playing the second half of the game. It was Sofia's tiredness that finally allowed Liverpool to take such a substantial lead at Anfield, but on the other hand, the win will be quite different. A victory for Sofia would not be surprising, but Liverpool would have to forget more about the experience to play those another chance of place in the semi-final round.

SOFIA: G. Velchev, I. Zlatkov, D. Stankov, V. Chavdarov, M. Kanchev, S. Ochoyev, N. Markov, S. Dimitrov, R. Kellogg.  
LIVERPOOL: R. Clemence, C. Neale, J. Hughton, W. Carragher, P. Beardsley, M. Dalglish, K. Walters, B. Johnston, R. Williams, J. Ward, J. Wright, J. McManis, J. McManis, J. McManis.

The only occasion a Welsh side reached the semi-final round was in 1967-68, when Cardiff City, of the second division, lost on aggregate to Newport.

Newport were threatened with bankruptcy just three years ago when Mr Ashurst joined them. Today, however, they are back in the first division and are hoping to add to the 10 European goals they have scored in their own right.

Cardiff, Celtic, Crayke, Celtic Crusaders, of Ireland, and Norwiggins, Haugar.

One result will haunt Ipswich town as they resume the European Cup. Celtic's 5-0 victory in St. Etienne's 5-0 victory in Hamburg in an earlier round.

Through the First Division leaders and FA Cup semi-finalists hold a three-goal advantage from the first round.

It is a bit sad and try to defend it.

"That could prove suicidal", said John Wark, the new Professor of Football at the University of the Year. His ten European goals this season have helped Ipswich to the verge of the UEFA Cup.

Ipswich have reshuffled their

**CLUB MATCHES:** Bridgewater and  
blun v Aston and Somerset Police;  
Ross Key v Newbottle (7.0); Glas-  
ter v Chillingham (7.0); Lydney v  
Police; Pontypool v South Wales  
Police (7.0); Swansea v Llandovery  
Vale (7.0).

**Rugby League**

**EUROPEAN CHAMPIONSHIP:** Wales  
England (Hull KR).

**Hockey**

**INTERNATIONAL MATCH:** England  
Poland (Crystal Palace, 7.0).

**REPRESENTATIVE MATCH:** London  
University v H. A. XI (Molesey Park,  
5.0).

## Vengsarkar and Patil keep hopes alive

It is not often, mercifully, that England have a worse morning. Both the morning and the day were a disbalance of it as an inevitability: although Lloyd and Richards were playing much as they pleased, it was not until 95 minutes past the hour that one and only bowling changed. By then, with England in disarray, the wicket was in the hands of the new man, who was changing "We want Jackman". On Sunday Jackman was England's best and most powerful bowler, and he had taken 87 runs had been scored in 18 overs before he was called upon. He bowled with more vigour than with him with ever greater vigour than he had torn into Dillee.

Both bowled with two long leashes for Lloyd and with three men in the square and one only just in front, so Richards on a small ground had against two of the finest bowlers in the world. He batted in the good mood, wherever he happened to

## Slemen has e

Before the start of a tournament, it is common for a coach to give his team a pep talk. In the month of March, the Scottish international of much distinction, who will be relieved to remain nameless, expressed the view that Mike Slieven was somewhat over the hill. The England and British Lions wing then caused him to reconsider that verdict by scoring one memorable try after another against France, and finally for Huw Davies with a remarkable sense of vision, and putting the stamp of a world class player on everything he did.

Against France on Saturday, Slieven will be winning his twenty-fourth consecutive cap,

fewer than C. N. Lowe, of Blackheath, between 1913 and 1923. Only one England wing, Peter Squires, of Harrogate and Yorkshire, has won more caps (29) for his country. The total of David Duckham, the most capped of England backs with 36, in-

It seems probable that England's players will be offered full caps for the two internationals in Argentina in May and June, but Glemen will not be playing. He has decided that he needs a rest after two summers away from home. Glemen feels he owes a debt to the school where he teaches, Merchant Taylors', Crosby. "And", he

## British girls

# British girls

By Michael Coleman

Amazons they may be, but the gaggle of girls assembled by the Modern Pentathlon Association in the Fenchurch Street offices of

ut they still yielded a rich harvest, particularly from Mrs. Zielli and her partner. Three times in the first four holes they

needed three putts on one hole. The last putt was a bunker shot by Miss Aitken which landed within an inch or two of the tenth hole and thereafter they played the eleventh hole. They then moved on that at the 16th, where they chipped to 8 ft by Mrs Uzzell and a five putt by Miss Aitken won the stick stroke. They were out in a five putt par, and back in 36, the under.

Miss Benka, once better known as Miss Fredrickn, played what was called a "hot" round with J. S. Sutton, once better known as Miss Ward, and still better known as Angela Bonnalack's sister. Her only repeat was on the 5, 6, 7 and 6 and finished 5, 5, 5, 5, 5, 5, 5, 5.


During the intervening holes between the 10th and 11th, Miss Benka began to mislead her approach shot near the flag and J. S. Sutton began nervously to

# to America

Crystal Palace from August 18 to 22. Entries so far include the United States, France, West Germany, Great Britain, Poland, Canada, Austria and China.

The British have been pressing for some time for a world title to be set up, but it has hinged on the issue of whether the economy is nearly on its last legs and sponsors' purse strings are as tight as a Norwegian. Now, already pensive, Norway has jumped and table tennis, have now come forward and are on the way to becoming a reality.

The four going to San Antonio face exams in June and are thus unavailable for various other international events. Left behind are the formidable 1984 Paralympians, who are in the Park from Surrey, anxious about their 15-year-old horse Birkdale, who has a daily bath because of a skin complaint, and Jeanne Chalmor, from Andover, who is an



Photographed by Harry Kell  
 Stewart playing an approach shot  
 at the Lake.







The nicest  
bandwagon you  
ever saw

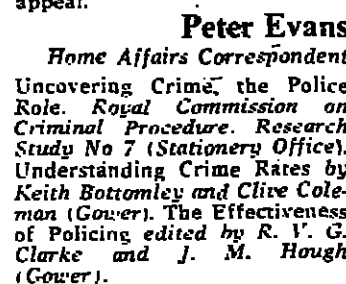
be turned into offices. The building was recently listed as historic and architect interest, and at that level proclaims that it is the third largest shop in London.

Last night Kensington Chelsea Council's committee was presented with an application to change the top four floors. Under that the scheme also envisaged part of the owner to a separate retail unit, and three independent shops on the high street frontage.

The House of Lords, which owns the Barkers, has recently been having its troubles with "Ty" Rowland, and could not find anyone yesterday to comment. But what with another contract planned for another building, and the institutions, the avoy Hotel, am wondering where it will all end.

*They must see; highly intelligent and disciplined in Cambridgebridge, report on cattle grids, here the county council last week said that in the parish of Soham, before 1976, "livestock were prevented from straying by gates which were habitually left open".*

A. Hamilton



**Home Affairs Correspondent**  
Uncovering Crime, the Police Role. *Royal Commission on Criminal Procedure. Research Study No 7 (Stationery Office).* Understanding Crime Rates by Keith Bottomley and Clive Coleman (Gower). The Effectiveness of Policing edited by R. V. G. Clarke and J. M. Hough (Gower).

# mind

Over the last 30 years the proportion of people in absolute poverty is thought to have fallen, but because population has increased, the number in absolute poverty has risen. Average life expectancy has increased from 42 to 54 years. The proportion of adults who are literate has risen from about 30 per cent to more than 50 per

Again, the advances have not been uniform. In some countries the benefits of economic growth have not been fully shared with their poorest citizens because income inequality has increased. Most Third World communist countries (including Cuba, which has seen little economic growth in 20 years) get high marks for the level of income equality or literacy or both—and income equality. So do fast-growing states such as South Korea and Taiwan, and slow-growing nations such as Tanzania and Sri Lanka (in relative to the positions in the poverty league).

It would seem that those countries that have had most success in reducing poverty are those that, regardless of political system and economic strategy, have deliberately and decisively sought to do so.

Here's a frightfully good wheeze, reported by Elgin Gillespie in *The Sunday Times*. The Irish Prime Minister, Mr. Charles P. Haughey (the "Big Dog" of the Celtic Twilight) has announced that 150 "creative artists" (the term embraces playwrights, novelists, sculptors, painters, composers, screenwriters, photographers, bards and poets) are to be put on the state payroll at 4,000 jimmy-gobblins a year. *The Irish-gobblin* in question is Irish, and it is true (and should therefore perhaps more appropriately be called jimmy-oplechraunns), and the point is at present at a discount; all the same, considering that the recipients don't actually have to lay out a cent for the money, it should not be sneezed at, and I don't suppose will be. The first 150 free-loaders, incidentally, are to be selected by the Irish Arts Council, but after that they will select themselves (or their will, literally, should think).

There is a good deal to be said about this paper, and in the moment I shall say it. First, however, I have to ask a question, and it is the only question that will be asked by anybody in Ireland or elsewhere who can, by any effort of the imagination, persuade himself that he is, or can give a decent imitation of, a creative artist. Please, Sir, where do I apply to pass through in the grave?

that you must be Irish of this type, Irish to qualify for this lovely shamrock-coloured lolly. Whether it comes to giving other people's money to content the Government is another matter. The Government is not the warmest of friends to the Irish Council in itself; foreign chancers already living off the fat of the land in the Republic under the scheme that allows 'creative artists' to escape taxation there (the scheme presumes that the artist might as well be a foreigner, so folk might add a bit of tone to the place) can leap aboard the bandwagon, as can those born-and-bred in Ireland and living abroad (and never mind all those of Irish descent who have never been to Ireland and so don't know enough to pick up on their winnings; indeed, have a distinct feeling that anybody who isn't so colour-blind as that he can't tell the difference between green and orange at ten paces has only to stand with his mouth under the tap and Mr.

I well, my own order of priorities is clear: first me, then you. I have often reminded the world that my grandfather was one of the O'Leivins of Co. Kildare, and there can be few in a position to deny it authoritatively; that I am a creative artist none, I imagine, will be inclined to dispute, at any rate after my forthcoming *Life of Lord Goodman* (Swepstone, Walsh and Sons, £12.50, illus. pp. 688), appears. Certainly, my claim is as good as that of any of the drunks, rogues, jakes, chancers, fiddlers, thimbles, riggers, touchers and other members of the fancy who will

So far, the only sensible remark made about the businessness has come from Mr. Hugh Leonard, the Irish playwright who has said that "asking the Arts Council to choose the members is like asking Nero to organize an outing for Christians." But we cannot leave it there. It can be said with

very considerable assurance that from the moment the first of the 150 paid lucks are signed up and nip round the corner to turn a bit of it into liquid assets by courtesy of the good Messrs Jameson, there will not be a single word or note written, not a fragment of marble chipped, not a square inch of canvas dabbed with paint, that will be of any artistic or historical significance to any human being alive or yet unborn. And it can be said with absolute certainty that if, by some extraordinary chance, a true work of creation should slip through into existence, it would

have done so even if it had never occurred to Mr Haughe that getting himself known as a great one for the finer things of life could do him no electrical harm.

The delusion that we are produced by money, or by any thing at all for that matter is one of the most persistent and deeply rooted of our times, which is the more remarkable in view of the fact that it is of such recent origin. It betrays, of course, a fundamental misunderstanding of what we are, which is not surprising, because nobody can say what we are. But at any rate it is possible to say what it is not.

is not something that can be made out of anything external to the artist, except in the obvious sense that significant sounds and experiences are external to the raw materials of the raw material which, when (and only when) it has been transmuted in the alembic of the artist's psyche, turns into art.

The late John Colshaw, in *Arguing the Record*, has written a very complete recording of the Ring, by Decca, tells of the review of the mighty project, in a magazine which, though it saluted Decca's remarkable technical achievement, nonetheless found the fact that it had been applied to a foreign composition. Was there no equivalent English

work? If not, could not one have been commissioned? No, one could not have been commissioned, and the reason has nothing to do with the quality of Wagner's music. Only artists can produce art; art can be produced only by artists. In that pair of tautologies lies the whole truth about the whole business of creating art, and it is to be wished that it is a waste of time and money to do any such thing. If there is art inside a man, it will come out; if there is none, no fishing-line though the hook be baited with good red gold, will be long enough, or strong enough, to drag it

This is not at all the same thing as the belief that hunger is good for creation. (Hunger isn't good for anything except over-eating, and let us never forget that.) Itself a product of an elite class, the belief that the proper place for an artist is in an unheated garret, his function to produce masterpieces by guttering candlelight. Velt, Mozart did. Beethoven didn't; Milton didn't; Chatterton didn't; Ibsen first died then did; Tolstoy didn't first die, then did. Neither poverty nor affluence can either produce or inhibit art; both are irrelevant to it. Indeed, I have often thought that you can almost define art by this method: give a poor man money and see if he produces better art, take away a rich artist's wealth, and see if his creative spring dries up. Not even the ducting-stool presented a more cruelly circular argument, and not even the

Haughey's defence will not, I imagine, do anybody any harm, except the Irish taxpayers, and since I have quite enough to do in keeping the head of the Levinish taxpayer above water I can spare no tears for them. It will do the recipient quite a bit of good, of course, though even that may be off-set over the years by cumulative damage to the liver. But because of art will not be advanced by the length of Mr. Haughey's brass neck.

Costard had a word for it: Remuneration! 'O! 'thats the Latin word: for three farthings: three farthings: remuneration. Remuneration! why, it is a fairer word than French crown. Pray you, sir, how much carnation and may a man buy for a remuneration?

Enough, it seems, to tie round 150 licensed practicers in blarney. But not enough, alas, to ensure that among them they produce as much creation as will cover one farthing, let alone three.

E. Times Newspapers Limited, 1981

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be turned into offices. The building was recently listed as a historic and architectural landmark, and the city council, in a unanimous vote, last week proclaimed that it is the third largest shop in London.

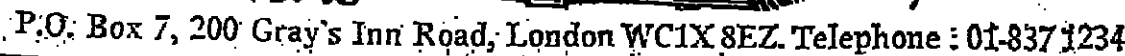
Last night Kenaigton Chelsea council's planning committee was presented with application to change the ground floor, under the name of the Chelsea Arcade, so that the scheme would be letting part of the owner to a separate retail area, and the other part, containing three independent shops, on the ground floor.

The House of Tish, which owns Barkers, an which has recently been having its premises with Tish Rowland, could not find anyone yesterday to comment. But what with a similar contravention planned by another of the country's great institutions, the Avoy Hotel, and wondering where it will end.

They must keep highly intelligent and disciplined cattle in Cambridgeshire. A report on cattle grids here the county council last week said that in the parish of Soham, before 1976, "livestock were prevented from straying by gates which were habitually left open".

Ann Hamilton





The Government Whips experienced their worst day in the present Parliament on Monday. They saw one Conservative MP cross the floor of the House to join the Social Democrats. Eight others voted against the Government over the increase in petrol tax, and at least twenty more abstained. Altogether it was the biggest backbench revolt against the Government since it took office.

The extent of the revolt was enough to be severely embarrassing, but not to inflict more immediate damage on the Government than that. At the Budget, the estimated vote passed even if with a disproportionately small majority for the petrol tax. Sir Geoffrey has not been forced living in a state of apparently perpetual discord that had previously been associated with Labour administrations. Scrupulous about the Government's actions, he is not a member of a number who are not to be bothered with the habitual critics. Monday's events were a symptom of this all, it is capital spending for investment, not current spending for consumption, which requires advocacy. Whatever the merits of the Budget, the scale of the Government and whatever political embarrassments ministers may face, this is an issue on which the Government should stand firm.

Reports of violence in the Syrian town of Hama over the past nine months are further evidence that the regime of President Hafez Assad is under consistent pressure from a widely based opposition movement. The regime has been trying for over a year now to track down and eliminate its enemies. It has 'brought' into being a range of security forces, some under the command of the president's brother, Colonel Rifaat Assad, and all ruthless in their methods. They carry out indiscriminate reprisals on a large scale when government officials are assassinated. The incidents at Hama have been echoed at Homs, in Aleppo and in Damascus itself.

The declared aim of the Muslim Brotherhood is to overthrow the Sunni branch of Islam, to which most Syrians adhere.

The Brotherhood was founded in Egypt in 1928, with the aim of establishing by paramilitary means a state in which fundamentalist Islam would hold sway in all aspects of national life—social and political as well as religious. Numerous setbacks have not sapped this ambition, least of all in Syria, where a strong branch of the Brotherhood was established early on. Even the massacre of over 500 Muslim Brothers at Palmyra jail last summer left the organization thirsting for revenge rather than reeling from the blow.

The declared aim of the Muslim Brotherhood is to over-

The failure of such methods to eradicate opposition is largely due to the organization and underground experience of the Assad regime's principal opponent, the Muslim Brotherhood. The Brotherhood's strength lies in its very shadowiness, and in its ability to attract Muslims and Arab Assad brothers, who are nominally fellow Muslims, but come from the minority Alawite sect, which is widely disliked. The Muslim Brotherhood, by contrast, draws on the traditions

This week's visit to Washington by General Viola, who is to take office as President of Argentina later this month, is a sign of the new policies being adopted towards Latin America by the Reagan Administration. The Argentine military regime has one of the worst human rights records in the region, and the Carter Administration tried to improve it by, for instance, a ban on arms sales. By contrast, Mr Reagan has announced that he will ask Congress to lift the ban, which is likely to be signed; and the emphasis in the talks General Viola has been having has been on defence of the western hemisphere rather than human rights.

This approach is very much in line with the Administration's policy in El Salvador, with its backing for the military rule there regardless of its human rights record, and its emphasis on the global struggle against communism. The same double standard, similar treatment, President Pinochet's regime has made itself something of an international outcast since its overthrow of the Allende government in 1973. It also committed an act of extraordinary effrontery when it organized the assassination in June 1976 of the Chilean Letelier, a prominent Chilean exile: when the Santiago authorities refused to extradite three Chilean officers alleged to have been responsible, the Carter Administration imposed sanctions, among them the stopping of credit guarantees. These sanctions have been lifted by the new Administration, and

**From Lady Burton of Coventry and Lady Elliot of Harwood**

Sir, Truly we live in an age of bureaucracy: are systems made for travellers or travellers for systems? Since November we have been trying to get something done about the availability of holiday fares in the system which last year allowed some five million discounted air tickets to be sold by bucket shops at discounts of up to 60 per cent when the law, the Government and IATA (the International Air Transport Association) declare this to be illegal.

It really is complete nonsense. What is the use of a law that everyone can ignore, including those responsible for framing it? The Government says that IATA is a trade organization and that it is

of that association. IATA says that it is powerless to deal with the matter while Britain is lax in applying the law.

Of course airlines in membership of IATA are not allowed to discount their tickets to bucket shops: on the other hand at least 40 major airlines do so. Surely these airlines and IATA should now deal with the matter. After all, they are the trade organization. The holiday season is upon us. Travellers want cheap tickets and airlines want to fill otherwise empty seats. Legitimate agents want to sell cheap tickets—they have customers who do not allowed to do so even though last year the member airlines of IATA lost more than £1,000m.

ABTA (the Association of British

enforce the law and indeed turn it into a find the choice available in the travel agencies. unfair to travel plain stupid and bureaucratic he to the no concerned—G. ABER, agent letters—if all available to a

Can anybody tape? We have yours faithfully

BURTON OF COVENTRY  
ELLIOT OF HARWOOD

House of Lords  
March 13.

The second kind of trouble that was foreshadowed by Monday's revolt is that the Government may well have problems in getting the proposed petrol tax increase through Parliament unchanged when the Finance Bill comes along. The Budget resolutions could not be amended: it was therefore a choice between accepting the proposed level of tax or rejecting any increase at all. If the Finance Bill is amended, the Finance Bill can be amended, so it will be possible to vote for, say, half the increase proposed by the Chancellor.

The critics will claim that the full increase would discriminate too harshly against the rural way of life, and that it would push up industrial costs excessively. But these are not arguments that Sir John has taken into account in terms of his own Budget strategy. He has got to raise the revenue somehow. It would be worse to put up VAT again or to increase the standard rate of income tax. Petrol is cheaper, in any event, in Britain than in most other countries, and even if the proposed increase barely restores the tax to the 1973 percentage of retail price. Most importantly of all, it is capital spending for investment, not current spending for consumption, which requires advocacy. Whatever other criticisms may be made of the Budget, the need to avert political embarrassments ministers may face, this is an issue on which the Government should stand firm.

For the moment, however, the Soviet Union is likely to keep its money on President Assad, if only because the alternative—a revivalist, Islamic regime—is even less palatable. In any case, the President controls the Army, which is the key to power in Syria, and he has deliberately courted the merchant class, which would otherwise be one of the main potential sources of support for a Muslim Brotherhood regime.

It is also doubtful whether the people of Syria would really benefit by having the Muslim Brothers installed in place of the "Alawite Mafia" in Damascus. According to their "revolutionary manifesto" if they came to power, the Brotherhood would abolish prisons and torture; hold "direct elections"; permit freedom of speech and assembly; and even refrain from taking revenge on Assad supporters. There must however be a suspicion—borne out by historical precedent—that those who have learnt to be ruthless and unscrupulous in underground opposition find it difficult to be fair minded and democratic when in power.

extreme rightist who called for a coup in El Salvador, has been disowned; and support reaffirmed for President Duarte's regime which, amid the appalling bloodshed, has made some effort at reforms.

The larger countries of South America are different. There is not the same immediate danger of civil war and revolution. But for a number of reasons American influence has been greatly reduced, in what was once an area on which it could rely on. This is partly a matter of economic inroads made by Japanese and Europeans, partly of greater self-confidence. It was a considerable shock for the Americans when they found that neither Brazil nor Argentina were prepared to back them in their grain embargo against the Soviet Union following the Afghanistan invasion.

In making an effort to reestablish good relations with the military dictatorships of the Southern Cone, therefore, the Americans are pursuing an understandable interest. The Carter Administration, which had initially upset some of them by its erratic behaviour, as well as its human rights policy, had been moving in the same direction. But the Reagan Administration should not give up the idea that it suits them in the region by giving the impression that it no longer cares about human rights. Whether in El Salvador, Argentina or Chile, it should continue to press with all its weight on what are, after all, American standards of decency.

travel Agents) has declared that the Government should either enforce the law or change it. It is not the Government's last place to find the cheapest international fares available in Britain at present is a travel agency. Such a situation is unfair to A.T.A. members and to travellers—in fact, it is plain stupid and an example of the bureaucratic mind. Surely it would be to the advantage of everyone concerned—Government, I.A.T.A., A.T.A. agents, Airlines and travellers—that cheap air tickets were available to all retail outlets.

Can nobody get rid of this red tape? We have done our best, Yours faithfully,

**MURTON OF COVENTRY,  
ELLIOTT OF HARWOD,  
House of Lords.**

March 13.

From the Vice-Chancellor of Lancaster University.

Sir, Mr. Christopher Bland writes (March 14), "The possibility of having to close whole universities . . . is being openly discussed". The closure of whole companies is far past the discussion stage . . . in the non-productive sectors of the public service . . . Three comments.

1. Real economies. Between 1972 and 1978 the University of Lancaster reduced its cost per student by 13 per cent. Since 1972 the cost of running the University has increased by 37.4 per cent (leading to a Gas Management "Energy" Award) working temperatures used to be a joke, but are now beyond it. Administration costs have increased from 7.2 per cent of the budget in 1971-72 to 5.6 per cent of the budget in 1980-81. Support staff have been run down, so that highly paid and qualified staff now do work (the worst trying for instance) that support staff used to do:

continuum of the "non-productive" sector, from essential to desirable to disposable luxury is a matter of judgment, because no causal connection has been demonstrated between the well-being of a society and its level of education. However, we note that a people that is largely illiterate and has a low level of skills is commonly poor. We also note that few of the developed societies have as low a proportion as Britain of people entering post-secondary education and that the real economies have done as badly as Britain in the past three decades. We do not claim that nothing is wrong with our educational system. But I suspect that if we reduce it rather than improve it, we shall not achieve the objectives of this or any other government will be rendered unattainable.

Yours faithfully,  
P. A. REYNOLDS,  
University House,  
Bailrigg,  
Lancaster.

My impression is, (an exact count would be excessively costly) that the number of scientific papers written, inventions made, and patents marketed, industrial and other contingencies, books of scholarship published, works of art created, has increased in the number of staff in the larger years of the decade in the earlier years. Every effort has been bent to holding teaching staff—the essence of a university—where there have been a freeze on appointments and vacancies, relaxed in the past sixteen months only in three cases. The number of students successfully completing a degree has increased each year. No labour troubles have arisen. The state of our affairs be it all enterprises throughout the country could equal this record of efficiency.

2. The implied parallelism of closing universities and closing companies. The purpose of the policy leading to company closures is presumably to bring about the replacement of the unproductive or unprofitable or under-capitalized or uncompetitive with new enterprises. Why not close these universities? The purpose of closing universities would be to reduce the educational provision, so the analogy is inapt.

3. The non-productive sectors of the public service. "Non-productive" is differentiating. The dustman is unproductive, as is the comedian, pianist and the football player. Where education should lie on the structure and staffing with no sense of the realities of life in the 1980s.

Roses, however sweet, need to be pruned. Ivory towers have an air of their own. I recently received information about a new degree course being introduced at a certain University. The subject was "Dance". I am all for dancing, but not when there is work to be done. I am all for ivory towers, but their staffs might care to face up to some stubborn and reducible facts.

Yours faithfully,  
W. A. BARKER  
University College School,  
Hammond, NW3  
March 13.

From Mr John Smith, MP for  
Lemar, North (Labour)

Sir, In 1973, when the newspaper-  
mergers provisions of the Fair Trade  
Act were enacted, Parliament  
clearly intended that certain  
concentrations of newspaper power  
should not be permitted without the  
possibility of public consideration  
of the issues involved. Thus the  
mergers of newspapers having a  
circulation of over 100,000 were  
rendered illegal unless reference  
was made to the Monopolies and  
Mergers Commission and the con-  
sent of the Secretary of State was

obtained. In this case, the Secretary  
of State decided not to refer, one  
wonders what the point behind  
the Starline Book's purported  
system of control if it is so easily  
avoided. I do not know what is the  
economic condition of *The Observer*.  
I doubt if its proposed acquisition  
is caused by any such condition  
would justify a decision not to  
refer.

If this occurs, three of our major  
newspapers, *The Times*, *The Sunday*  
*Times* and *The Observer* will have  
changed hands and there will be  
any public consideration whatsoever  
of the consequences of these

One loophole was left. If a newspaper was not economic and there was a case of urgency, it was possible for the Secretary of State to consent without requiring a reference to the Commission. Through that loophole, Mr Rupert Murdoch with the help of the Government steered his way to the acquisition of *The Times* and *The Sunday Times*, on the footing (not surprisingly still queried) that the *Sunday Times* was not economic as a going concern.

Now an application has been made by Lorchs for approval of the proposed acquisition of *The Observer*

From Dr John Cushman  
I do not normally feature  
so much to the defence of the Prime  
Minister. Apart from the fact that  
the man is well known to be  
totally opposed to many of the  
policies of her Government, parti-  
cularly in the field of the economy  
and the environment, the dramatic  
escalation in unemployment and  
insufficient further suffering and  
hardship on those who can least afford

However, having said this, I find the allegations made in recent letters to your columns by the Social Democratic and Labour Party spokesman, Dr Brian Feeney (March 22), totally unjustified and grossly untrue. Dr Feeney claims that the recent visit to Northern Ireland (and my speech in particular) was tainted by sectarianism. As someone who was present when the speech was delivered I find this charge to be amazingly stupid and hysterical. Nothing of which I consider to be the main reason for her visit on March 5.

Clearly Mrs Thatcher came to Northern Ireland to undermine the peace process and to sow division. In regard to the Anglo-Irish summit which is clearly designed to heighten community tensions and exploit them for his own narrow ends. In order to do this Mrs Thatcher had to play on the sectarian divisions which did not involve "sell-out" and that the constitutional position of Northern Ireland would not be changed unless the people of Northern Ireland and the United Kingdom Parliament decide otherwise. Because Mrs Thatcher once again reasserted the right of the

could be further from the truth. Mrs Thatcher's speech was punctuated with clear and unequivocal statements that the rule of law would apply equally to everyone and also that the security forces themselves must operate fully within the law.

Furthermore, I am surprised at the tone of Dr Feeney's letter, given that the clear comment was that Mrs Thatcher has no right to the continuation of the Anglo-Irish summit. Mrs Thatcher's emphatic statement that this cooperation would continue and (in a clear reference to Mr Paisley) that she would not be deterred from pursuing this policy by intimidation from anyone, hardly bears the hallmarks of a sectarian statement. I would suggest it has more the qualities of statesmanship. Is he therefore accusing the Prime Minister of being a sectarian simply because she does support the policy of the SDLP?

Yours sincerely,  
JOHN CUSNAHAN,  
General Secretary,  
The Alliance Party of Northern Ireland,  
78 University Street,  
Belfast.

from Lord Spens  
Professor Browning and his  
signatories from Birkbeck college  
letter, March 16) perpetrate a  
myth, which has been encouraged  
by the Greek Cypriot authorities,  
when they write about 2,000 missing  
Cypriots. They must write about  
2,000 missing Greek Cypriots, if  
they have they omitted the 800  
Turkish Cypriots missing in the  
earlier troubles since 1963?  
They say "During the two  
Turkish military operations, in  
Cyprus in summer 1974", but they  
omit the fact that there were five  
years of violent fighting between the  
supporters of Samson and those  
of Makarios, between July 15 and July  
16, before the Turkish army inter-

drive Makarios from his post as  
President and very many Greek  
Cypriots were killed and how many  
went missing?

Since 1974 both the International  
Red Cross and the Red Crescent  
have investigated the claim that  
2,000 Greek Cypriots were missing.  
I understand that less than thirty  
cases remain unexplained.

Now that the two communities  
are engaged in intercommunal talks  
it is befits anyone to foster such a  
myth about missing Cypriots, espe-  
cially one which only includes the  
Greek Cypriots.

Yours faithfully,  
SPENS,  
House of Lords.  
March 16.

From Lord Rotherthall  
Sir, In your first leader of March 13 (Questions for the Wets) you ask a number of questions about the strategic objectives of the Government. You are certainly right in saying that we cannot begin to

have a rational debate about our problems until they, and possible solutions, have been clearly stated.

You do not mention what many people (including myself) consider to be the basic problem—the constraints imposed by the power of trade unions on the Government's ability to take any particular action in the private sector. It was this which led to the belief that full employment and reasonable price stability were incompatible, except with an incomes policy. The growth of the public sector at the expense of the outcome of the experience that this was in practice at most a temporary palliative, with the disease more virulent after each experiment. We are now seeing that it does not work. The Government's policy was a failure, monetary policy must be a success.

From Mr. Christopher Gore-Booth  
St. Fargie: The single-minded statement that the Conservative Party is suffering a surfeit of economics, the Labour Party a surfeit of politics, the electorate a surfeit of both. For one party to say they don't give money, the other that they do, is more finding the risk of inflated money more immoral than the fact of mass unemployment.

Britain needs a return to their worship of sound money as kind as it is desired, the sort often offered by successive Labour Governments in the past—a socialism which now looks like a conspiracy between government and organized labour, with the consent of industry, to promote inefficiency, over-investment and high wages for the few, and under-

This bears on the first specific question you ask, "Is monetary control the sole or sufficient way of reducing inflation?" Inflation is caused by many very different factors in terms of wasted resources, but it is hard to see this as a victory for monetarism, since the chosen monetary measure (M3) is still going up. It is easier to explain in Keynesian terms.

The Budget, however, seems to be based on an extreme form of monetarism. The fall in inflation is partly due to the effect of our own policies and partly to the external forces and the very severe pressures on the private sector, reducing both profits and the size of wage settlements there. The Government's difficulties have been with the public sector where both expenditure and the level of wage settlements have been too buoyant.

greviously higher levels of structural unemployment for the rest of us.

The one thing Thatcherite determination guarantees is a reversal of current policies in 1984: a reversal of the policies of the last 10 years, the emergency Centre. But is this Centre both orthodox enough to protect the life-blood of private industry and radical enough to change our parliamentary, judicial and financial systems which, in turn, have caused such a drag on British enterprise?

Can I at least implore Conservative and Labour politicians to stop hitting each other over the head with their sectarian handbags and to try to find the common ground of changes which will allow a central alliance to show what it can do for Britain?

Yours faithfully,  
**CHRISTOPHER GORE-BOOTH**

But the impact of the Budget will not make either of these much easier. What it will do is to add to the pressures on the private sector. To the lesser extreme monetarist, this section of the Budget is a further whipping boy, to shame the real culprit, or as this is very unlikely, at least to relieve the feelings of the tutor.

The purpose claimed for the Budget is to reduce public borrowing and to keep the money supply under control. But only an extreme monetarist would argue that a very tight money supply will restrain those who have a stranglehold on essential services. It is of the greatest advantage to the country to have the kind of courage which is undoubted, but one can still have doubts about the strategy.

As you say, Sir, those who criticise the Budget are not the enemy.

42 Kingford Road, SW18.  
March 15.

From Mr W. Bonnett

Sir, Where else could I find the money (leader, March 16)? Simple, by a suggested increase in all betting duties and gaming licence. Such an increase would offset at least the duty on diesel fuel which is a direct tax on industry and probably most of the petrol tax increase as well.

As the Chancellor takes up this suggestion he should show sufficient sense to forget about the "windfall tax" on bank profits, which is not only fatuous but dangerous in its implications for the future and; being retrospective, an even more honourable swindle. I have the honour to be, Sir,  
W. BONNETT

15 SHERWOOD HOUSE,  
 CHEYNE WALK, SW3.  
 March 16.

*From Mr. A. L. M. Christie*  
 Sir, "Where would you find the money, then?"  
 By putting up income tax, or  
 by cutting income tax is the fairest  
 tax of all.  
 Yours faithfully,  
 A. L. M. CHRISTIE,  
 The Street,  
 Old Cotessey,  
 Norwood,  
 March 16.

From Sir Robert Lusty  
Sir, Whatever the merits or otherwise of Sir Geoffrey Howe's and the Prime Minister's Budget, it has surely been an appalling few days for those other than politicians, who have imagined they have been living under a democracy.

Has any normal mind or woman of experience thought for a moment that so important a part of policy as the Budget was at no time discussed at length and in detail by the members of Cabinet? Would any chairman of a public company decide upon such issues without consultation with his board? A few may, but if it came to light in subsequent trouble would be scathingly dismissed as irresponsible by the public.

The Prime Minister chooses her own Cabinet colleagues and yet apparently dismisses the idea of full Cabinet involvement in the Budget as an impossible exercise because of the danger of "leaks".

One is inclined to wonder if a more monumental self-reflexionary leak has ever emanated from

Yours faithfully,  
ROBERT LUSTY,  
The Old Silk Mill,  
Blockley,  
Moreton-in-Marsh, Gloucestershire.

From Professor A. R. Prest  
Sir, It is reported by the media that Cabinet Ministers have, after their experience this year, been pressing for earlier information on Budget proposals than is customary.

It is a trap and a snare that this should come the fiftieth anniversary of a request to the then Chancellor, Philip Snowden, of a similar nature.

His unequivocal answer was: "Past experience has shown that a premature Cabinet disclosure is as good as full disclosure in the Daily Mail" (David Marquand, *Ramsey MacDonald*, Jonathan Cape, 1977, p.94).

Yours faithfully,  
A.R. PREST,  
London School of Economics and Political Science,  
Houghton Street, WC2.

From Mr Gerard Noel  
Fr. Bernard Orchard (March 14)  
states that "the Pope knows that the  
whole moral health of the world is  
at stake in the fight against con-  
traception." The credibility of the  
Roman Church today is greatly  
harmed by such unfortunate state-  
ments which pay scant attention to  
the lessons of history. Popes of the  
past have been extremely anxious for  
the moral health of the world was  
involved in their fight against the  
principle and practice of usury.  
In 1745, Benedict XIV solemnly  
declared it seriously sinful to  
claim anything but the exact  
amount of a loan. He was thus  
affirming 14 centuries of Church  
teaching that the taking of interest  
on money was against the law of  
God.

lemma as it does, nor like it.  
 considered its past solemn pronouncements. So it solved "its problem" by "renewing" its "old" principle of usury (which it has never done) but by taking action through its Sacred Penitentiary. In 1868, in answer to increasingly laudatory resolutions of the Holy See, the decision was issued stating that the faithful who lent money at moderate rates of interest need not be "disturbed" in conscience provided they were willing to abide by the future decisions of the Holy See. (Honour saved all round?)  
 Eventually some such "solution" must be sought. For the present lemma, but probably only after it is already too late. Millions of Catholics have already left the Catholic Church because of reiteration by "hardliners" of their particular interpretation of Pops

From Mrs M. E. Witt and Dr R. C. H. Witt  
 Sir, Your Fashion Correspondent Suzy Menkes (*The Bride and The Groom*, March 7), cannot be allowed to tell us that Victoria to marriage (1840) in a crinoline cage (invented 1835), particularly after Mr Puugh's parody (for Guy Fawkes Day 1859): "God save our gracious Queen, Who won't wear Corsets."  
 And, as the fashion enjoyed a number of a century, it had at least two periods of innovation. Poiret's lamshade tunic just before the First War, and Dior's "New Look" just after the Second War.  
 Yours sincerely,  
 M. E. WITT,  
 R. C. H. WITT,  
 1 Oakwood Park Road, N14,  
 March 16.

the same hands, and that in economic matters this requirement is not met.

Yours faithfully,  
ROBERT HALL  
7a Carey Mansions,  
Rutherford Street, SW1

From Mr Christopher Gore-Booth  
Sir, Forgive the simple-minded  
statement that the Conservative  
Party is suffering a surfeit of  
economics, the Labour Party a sur-  
feit of politics, the electorate a  
surfeit of both. For, one party to  
say they don't give a fig for the  
PSBR is no better than the other  
finding the risk of inflated money  
more immoral than the fact of mass  
unemployment.

Britain needs a return to the worship of sound money as little as it deserved the socialism offered by successive Labour Governments in the past—a socialism which was a compromise between government and organized labour, with the consent of industry, to promote efficiency, under-investment and high wages for the few, and progressively higher levels of social insurance for the rest.

The one thing Thatcherite determination guarantees is a reversal of current policies in 1984: a reversal not to be tempered at last by any sense of proportion. But it is not only both orthodox enough to protect the life-blood of private industry and radical enough to change our parliamentary, educational and financial institutions which will, untransformed, are the only thing that can be trusted.

"Can I at least inform Conservative and Labour politicians to stop hitting each other over the head with their sectarian handbags and to permit those constitutional institutions which will allow a central alliance to show what it can do for Britain?"

Yours faithfully,  
CHRISTOPHER GORE-BOOTH,  
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March 15.

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W. ROBERTS

W. BONWILL,  
15 Shrewsbury House,  
Cheyne Walk, SW3.  
March 16

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By putting up income tax, of  
course. Income tax is the fairest  
tax of all.  
Yours faithfully,  
A. L. M. CHRISTIE,  
The Street,  
Old Costessey,  
Norwich.  
March 16.

any Minister, let alone from a Prime  
Minister reputedly made of iron.  
Yours faithfully,  
ROBERT LUSTY,  
The Old Silk Mill,  
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Moreton-in-Marsh, Gloucestershire.

*From Professor A. R. Prest*  
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Yours faithfully,  
A.R. PREST,  
London School of Economics and  
Political Science,  
Houghton Street, WC2.

Paul's famous encyclical. And about half the world's remaining Catholics—averaging out the various surveys on the subject—do not believe that contraception is axiomatically sinful.

It is dangerous and misleading to make the test of Catholic "loyalty" dependent on adherence to a non-essential papal dictum rather than the voice of the universal conscience. It was Cardinal Newman who said, "If I am obliged to bring religion into after-dinner toasts I shall drink to the Pope, if you please—but I shall not drink to his conscience first and to the Pope afterwards."

Yours faithfully,  
GERARD NOEL,  
Editorial Director,  
*The Catholic Herald*,  
Circular Road,  
Bunhill Row, E.C1  
March 16.

## Dressing down

From Mrs. M. E. Witt and Dr.  
C. R. H. Witt  
My, Your Fashion Correspondent  
Judy Menkes (*The Bride and The  
Dome*, March 7), cannot be mar-  
ried in Victoria to a crinoline case  
invented (1835), particularly after  
Punch's parody (for *Guy  
Rawks* Dec 1839): "God save our  
gracious Queen, Who won't wear  
crinolines."  
And if the fashion enjoyed "a  
number of centuries," it had at  
least two periods of popularity:  
the first's lamshaded tunic just before  
the First War, and Dior's "New  
look" just after the Second.  
Yours sincerely,  
I. B. WITT,  
C. R. H. Witt  
Oakwood Park Road, N14,  
London 16.







# THE TIMES

## BUSINESS NEWS

**King & Co**  
Industrial & Commercial Property  
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**Stock markets**  
FT Ind 487.6 up 7.8  
FT Gilt 69.82 down 0.10

**Sterling**  
\$2.2190 up 1.10 cents  
Index 99.9 up 0.4

**Dollar**  
Index 99.1 down 0.2  
DM 2.0867 down 48 pts

**Gold**  
\$492.30 down \$5

**Money**  
3 month sterling 12½-12½  
3 month Euro-S 14½-15½  
6 month Euro-S 14½-14½

### Kuwaitis raise stake in Savoy

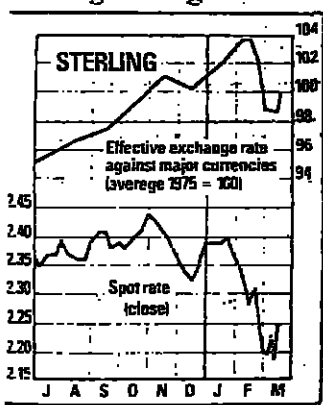
The Kuwait Investment Office announced yesterday that it had bought 220,000 shares of the 34.1 per cent "A" class stake in the Savoy Hotel, raising its stake to 58.8 per cent.

Sir Charles Trusthouse Forte, who has been in control of the Savoy group since 1974, has already said he will accept his offer. Trusthouse is unlikely to add to its 88,000 "A" shares because under the rules of the hotel's own stake it is effectively disenfranchised.

He has already asked Sir Hugh Wommerley, Savoy chairman, to call special meetings of the "A" and "B" class shareholders in order to put his offer to the vote. But Sir Hugh, who has dismissed the takeover as wholly unwelcome and totally unacceptable, will not refuse to call the meetings.

THF is offering \$4 of its own shares or £165 cash for every 100 Savoy A shares, and five B shares or £9.75 for each B share.

### Sterling stronger



Sterling was the main beneficiary of a weaker dollar, touching \$2.26 before falling back to close more than a cent higher at \$2.2190. It also strengthened against continental currencies.

### Uranium settlement

Westinghouse and the Tennessee Valley Authority have reached what looks likely to be a final settlement in their litigation with uranium suppliers, including six members of the Tinto-Zinc group. The deal ends a long-running dispute over the settlement of uranium contracts between 1981 and 1985 and will pay the company \$39m in cash. The valley authority will receive \$2m.

### Gas pricing call

Britain has urged the EEC Commission to keep up the pressure on the United States government to bring to an end the dual pricing of gas which has given American chemical and textile industries a competitive advantage in EEC markets.

### Shipbuilding slump

Output from Britain's shipyards last year sank to 427,000 tons, its lowest level for almost 10 years, according to Lloyd's Register of Shipping.

### DR rates

The dollar rate against the pound drawing right was 2.3590 while the £ was 548.193.

## Pressure on Fed to introduce tighter money targets

From Frank Vogel  
Washington, March 17

American interest rates fell further today as it became clear that an increasingly bitter confrontation is developing between some influential Reagan Administration officials who want the Fed to signal a new and still tighter money supply course.

The rate for federal funds, the key short-term rate most directly influenced by the Fed's market operations, fell to 14½ per cent from around 14½ per cent yesterday. Citibank and Morgan Guaranty joined other big banks in dropping its prime rate to 17½ per cent from 18 per cent. The declining rate is providing support to the stock markets.

The Fed's actions in the money markets, resulting in lower rates, appear to be stimulated by a softening of the economy and by the belief that the contraction of the money supply in recent months has been greater than was necessary to secure the Fed's annual money supply growth targets.

Some Fed economists expect the economy to slow further and anticipate that the decline in loan demand will ensure that money growth remains on the Fed's desired course without it having to drain further reserves from the banking system.

The Fed also announced that industrial output declined on a seasonally adjusted basis by 0.5 per cent in February, after a gain of 0.4 per cent in January. This is the first monthly drop in industrial output in seven months. A sharp fall in production of durable goods for the construction and home industries was the main cause of the decline. There was also a slight gain last month in personal income.

Some administration officials are worried by what they see as the "passive" approach of the Fed, under which it is willing to allow broad economic growth and interest rate trends, so that the money supply tends to contract sharply when

economic activity slows and tends to expand sharply on stronger general economic activity.

Such an attitude in the opinion of the officials tends to add to market uncertainties, fails to strengthen confidence in long-term declines in inflation and leads to the destabilising course of interest rates that was seen last year.

In 1980 the prime rate soared in the first quarter to 20 per cent, plunged in the second quarter to 10½ per cent and then rose in the second half of the year to a record 21 per cent. The sources indicated that the Administration has been repeatedly advocating to the Fed that a new statement should be issued announcing lower money supply growth targets and a clear determination to secure a smooth path of money supply expansion.

The proponents of this view seem to have convinced President Reagan that this will strengthen the economy and lead swiftly to lower interest rates.

These officials argue that the new Fed statements and policies would very quickly provide a new sense of confidence in the markets to achieve price stability.

This confidence would tend to stimulate savings and at the same time it would tend to reduce the inflation premium that is now evident in long-term yields.

Elimination of this interest rate premium in interest rates would stimulate investment and so promote greater economic growth.

The enhanced savings stimulated by lower inflation expectations would finance increased private sector investment.

For these reasons the officials believe firmly that tighter money policies today will stimulate the economy in a sound and non-inflationary manner.

Wall Street down: On Wall Street yesterday the Dow Jones industrial average closed 10.26 points down at 952.53. The S&P 500 was 1.2350. The £ was 548.193.

## Royal Bank and Standard merge

By Ronald Pullen

Terms for the biggest realignment in British banking for more than a decade were announced yesterday.

Standard Chartered Bank and the Royal Bank of Scotland have reached agreement on their merger, and Lloyds Bank launched a takeover for Lloyds and Scottish, the largest independent financial house in Britain.

Standard Chartered is offering one of its shares plus 50p in cash for every five Royal Bank shares, and a further £760,000 cash for the two classes of preference shares.

With Standard's shares closing 53p lower at 644p, the terms value the Royal Bank at £312m or almost 135p a share, about 50p more than the shares were trading at on Monday before it was announced that the two sides were in talks.

Both Lord Barber, chairman of Standard Chartered, and Sir Michael Herries, Royal Bank's chairman, stressed that this was not a takeover but a merger, and that the Royal Bank would retain its separate identity.

Lord Barber said that his experience in politics had taught him to be sensitive about Scottish opinion, although the first indications from Scotland are that the deal has upset nationalist feelings.

After the merger, the combined group will have balance sheet footings of £19,000m and shareholders' funds approaching £1,000m. This will put the group on a par with Midland and Lloyds, the world leaders, although still well short of Barclays and National Westminster.

The move will cost Lloyds £145m and put a price tag of around £240m on the whole group.

Lloyds has long been



Lord Barber, right, extends a hand to Sir Michael Herries after the merger had been agreed in London yesterday.

Both sides yesterday emphasised that the two banks were complementary. Lord Barber said that it would have taken Standard Chartered years to build up a comprehensive United Kingdom retail network and it would have been just as difficult for the Royal Bank to build up its overseas presence.

"The two would be a near perfect fit," he added. Neither side however seemed keen to expand on their plans for the expected push into retail banking in England.

The Bank of England has raised no objections to the link-up and Lord Barber argued that there was no case for the deal to be referred to the Office of Fair Trading.

Sir Michael Herries said that the move had not been prompted by fears of a bid from another quarter, despite much speculation in Royal Bank share over the last year.

Announcing the merger terms, Standard Chartered said that its pre-tax profits last year had risen from £169.8m to £232m and the dividend would rise by a quarter to 32.5p net.

The price improved by a further 3p to 45p yesterday on speculation that a bidder was about to emerge.

The names of three possible bidders were mentioned—Philips, the Dutch electrical giant; Siemens, the West German electronics group; and Nixdorf, a West German office computer business. Herr Heinz Nixdorf, the chairman, held a stake in ICL at one time.

Outside the stock market City followers of the electrical business and within the industry felt that an outright bid, either from a British company like GEC or a foreign group, was unlikely, although the possibility of a business like Philips participating in a refinancing package was not ruled out.

Others in the industry believe ICL's difficulties have been caused by its failure to shift its products towards the smaller computers now in demand.

Last year the group suffered a cash outflow of just under £100m. With losses now mounting, the balance sheet is clearly in need of support.

The Government is obviously anxious to ensure that such support is forthcoming while maintaining its political position of non-intervention.

## Lloyds Bank wins control of HP group

By Our Financial Staff

Lloyds Bank moved swiftly to secure full ownership of Lloyds and Scottish, Britain's largest independent hire-purchase group. It launched a 20p a share offer for the 60.7 per cent of the equity it does not already own, immediately after Standard Chartered and Royal Bank announced terms of their agreed merger.

The move will cost Lloyds £145m and put a price tag of around £240m on the whole group.

Lloyds has long been

rumoured to be interested in taking over Lloyds and Scottish to give it the same all-round exposure to the hire-purchase and leasing markets that the other clearing banks enjoy. The catalyst has been the Standard/Royal Bank link-up.

With a heavy involvement already in the hire-purchase market through Standard's subsidiary, Chartered Trust, it comes as no surprise that the two banks have declared that they will enter negotiations with Lloyds Bank in good faith for the sale, on an arm's length basis, of Royal Bank's 39.3 per cent shareholding.

A rapid stockmarket operation before lunch yesterday took the Lloyds holding up to 49.9 per cent. With Morgan Grenfell, an associate of Lloyds, purchasing another 0.3 per cent of Lloyds and Scottish equity, Lloyds now has a controlling interest.

A further 1 per cent of L and S's equity is controlled by trustees of Lloyds Bank pension schemes.

There was no immediate response from Standard/Royal Bank as to whether the terms

were acceptable but it seems a near certainty that the two will agree in return for Lloyds itself agreeing to the merger in respect of its 16.3 per cent holding in the Royal Bank of Scotland.

With all the big finance houses now controlled by the clearing banks, there was some stockmarket speculation that the smaller groups would be attractive to other bidders with Wagon Finance, Provident Finance and FNFC all putting on a few pence.

Financial Editor, page 19

## Auditor pays £400,000 to Pentos

By Catherine Gunn

An ex gratia payment of £400,000 is being made to Pentos, the publishing and engineering group, by its auditor, Neville Russell, the chartered accountancy firm. The payment is in respect of a review of Caplan Profile carried out by Neville Russell for Pentos before it bought Caplan for £7m of shares in August, 1979.

Discrepancies in Caplan accounts and profit forecast to end-August, 1979, were discovered by Pentos after the purchase. Pentos is suing Malvern & Co. Caplan's former auditor, and Singer & Friedlander, the merchant bank, controlling the asset valuation and profit forecast made prior to the acquisition of Caplan.

The case is due before the High Court in the second quarter of 1982. Pentos values its claim at £5.5m. Last year the Caplan group agreed to pay Pentos £350,000 over two years.

A spokesman for the Institute of Chartered Accountants of England and Wales yesterday described the £400,000 payment by Neville Russell as "certainly one of the biggest ex gratia payments" ever made by an accountancy firm.

"On the purely practical level it's far easier to settle for some amount than to go through the uncertainties and costs of litigation," he said.

Caplan made less than £1m for the year to end-August 1979, against the £1.4m profit forecast, and the net tangible assets were £950,000 below Pentos' expectations.

Neville Russell has disclaimed all liability over the Caplan episode. It is to continue as Pentos' auditor. A spokesman for the accountancy firm yesterday would make no comment on the ex gratia payment.

## Sir Ronald McIntosh rejects Fisons post

By Rosemary Unsworth

Sir Ronald McIntosh who was due to succeed Sir George Burton as chairman of Fisons, the troubled chemicals and pharmaceutical group, has decided not to take up the appointment.

But Sir Ronald will remain as a director. Sir George will continue as chairman in a non-executive capacity, while Mr John Kerridge, chief executive, will take over the chairman's executive responsibilities.

The move follows Fisons' decision, announced last week, to shift its headquarters from London to Ipswich as part of a cost-cutting exercise.

Sir Ronald, who is 61, said yesterday that he would have been unable to devote enough time to Fisons while living in London. "I would have been too remote from the chief executive and it would have detracted from my other work."

He was to have contemplated any move to Ipswich as part of a cost-cutting exercise.

Sir Ronald is also on the boards of S. G. Warburg, Rosco Minsep, APV Holdings and London and Manchester Assurance.

John Kerridge has been

chief executive for nine months and performed very well," Sir Ronald said. Mr Kerridge, who is 46, has been with Fisons for 20 years and was in charge of fertilizer division.

Two large works at Immingham, Humberside, and Avonmouth near Bristol are being consolidated and some other sites are being closed, with the eventual loss of more than 1,000 jobs.

The decision to close the Mayfair offices in London involving 70 redundancies was made after the group revealed a net loss last year of £16.8m compared with a profit in 1979 of £12m. The dividend was cut by two-thirds.

Poor results were blamed on the recession in the United Kingdom, Europe and North America and on high interest rates. The strength of sterling was also reckoned to have cut £20m from exports.

Fisons suffered an additional blow in January when it was forced to abandon Proxicromil, a new anti-asthma drug, after development costs of about £12m.

Yesterday Fisons share price gained 10p to 143p, although a 19 per cent rise in exports before the announcement.

## Crash course in post-Armageddon for industrialists

### Squaring up to nuclear survival

Most industrialists, buffeted and bruised by the worst recession that most can remember, can scarcely contemplate anything worse. But members of the Nuclear Protection Advisory Group (NuPag) believe that industry and business should consider the possibility of a nuclear Armageddon.

However remote this may appear, they have convinced more than 100 executives from leading companies that it would be worth while to part with £125 to pick up some tips on how industry might survive a nuclear war.

Heavyweights from companies like Unilever, ICI, Shell, the Central Electricity Generating Board will file into a one day seminar in London today organized by the NuPag with the theme: "Nuclear Attack: Protection for Industry".

Deprived by the BBC of the opportunity of watching *The War Game*, the film made 16 years ago depicting the effects of a nuclear explosion, these stout hearts of British industry will listen to experts from Europe and America expound their ideas on what British industry should be doing now to

make life more bearable after a nuclear attack.

Mr David Widdicombe, QC, chairman of NuPag, who headed the Windscale inquiry says: "Millions of survivors would be depending on essential industries operating again as effectively as possible."

"That is why it is urgent that businessmen understand and are able to implement survival techniques."

Mr Ivan Tyrrell, one of the organizers of the seminar, explained: "The object is to highlight the extreme vulnerability of this country to attack by modern weapons, and to help business planners assess what they can do to protect their workforces, and essential plant in the light of the possibility of nuclear war."

It is all highly commendable and far-sighted, but the event has failed to register more than a flickering spark of interest at Centre Point, the London headquarters of the Confederation of British Industry.

The CBI, and Sir Terence Beckett, its director general, do of course have more pressing short-term problems to face in fighting industry's corner in the

continuing battle for economic survival by many member companies.

Sir Terence will be at the regular monthly meeting of the organization's council, and the CBI has demurred from sending any of its officials to the holocaust seminar.

One of Sir Terence's aides said last night: "In the event of a nuclear attack, we expect emergency committees to be coordinating the efforts of essential services and the activities of whatever industries survived."

And many others may observe somewhat cynically that "trying to run a business in Britain in the present economic climate (particularly after last week's Budget) is a close enough parallel to a holocaust, and that there is no need to spend a day in London assimilating the finer points of the worst radiation hazard, or how much damage the electromagnetic pulse given off by nuclear explosions will do to the communications system, computers and power stations."

Peter Hill

## "Bonus rates again increased!"

EXTRACTS FROM THE STATEMENT  
BY THE CHAIRMAN, MR. A.M. HODGE  
To be presented at the Annual  
General Meeting on March 24th 1981.

New U.K. Premiums up 53%. Investment Linked Bonds Success.  
12% Growth in Pensions. Increased Canadian Business.

### UNITED KINGDOM AND REPUBLIC OF IRELAND

#### Assurance Business

Economic recession and continuing high inflation made last year a difficult one. At times such as these it is necessary to work harder to achieve the same results as in more favourable conditions. It is therefore with some satisfaction that I am able to report that the total premiums (single and annual) on new business in the U.K. last year, at £1.7m, were 53% higher than in the year before. In the Republic of Ireland our new annual premiums increased by 5% to £1.1m. Two years ago we introduced a highly successful Guaranteed Bond scheme when we have received single premiums of IR £20m, IR £12.2m in the first year and IR £16.2m last year.

For long our major class of business was with profit endowment assurance policies taken out either for investment or for house purchase. There has in the last few years been a trend away from this for various reasons. Last year in particular, activity in the house purchase market was much lower than normal. At the same time there has been an increasing tendency on the part of the public to buy policies linked to unit trusts. To satisfy this need we issued a Capital Investment Bond contract in October 1979. This was highly successful and was followed last year by the Regular Investment Bond and a Personal Pension Bond. The performance of the invested funds underlying these Bonds has been remarkable. As an example, between its inception in October 1979 and 15th November 1980 our U.K. equity fund's unit price grew 55% compared with a stock market movement of only 26%.

Our aim is still, as it always has been, to produce those forms of life insurance which the public needs.

#### Pensions Business

It is nearly two years since the Social Security Pensions Act 1975 came into force, and the activity which that produced has died down. So many employees have recently reviewed the pension provisions for their staffs that new schemes in the market as a whole can arise only from that small number of firms deciding to provide pensions for the first time. Our Stanplan series of policies is particularly appropriate in these cases because they are based on a ready-made trust deed and rules with Standard Life Pension Funds Ltd. as trustees.

A better indication of the growth of our business is given by the total premium income

received each year for all our insured schemes. Last year the total of annual and single payments was 12% higher at £121m, compared with £108m the year before.

#### Investment

Last year we invested £130m in fixed interest securities, £57m in ordinary shares, and £40m in property. The proportions of the total fund in these groups of investments at market value were about 40%, 35% and 25% as at 15th November 1980.

We have continued to provide finance for the building of office blocks, shops and the development of industrial estates.

#### CANADA

##### New Business

There has been a good increase in our new ordinary assurance business in Canada with new annual premiums up by 38%. Our success is due both to the introduction of new products and to an expansion in our sales force which grew from 165 in November 1979 to 185 in November 1980. I am sure, too, that the large increase of 66% in new annual and single premiums on group pension business can be attributed to the quality of our service. To the competitive rates which we offer and to our excellent investment record.

#### VALUATION AND BONUS

The valuation basis, as set out in the Actuarial Report, is unchanged from last year and remains exceptionally strong. The surplus earnings of the company have benefited from a further increase in the yield on investments while during the year the market values of our investments, and in particular ordinary shares, have improved substantially.

Our bonus declaration reflects these favourable investment conditions. We have felt able to increase our rates of reversionary and terminal bonus in the United Kingdom and Republic of Ireland and have also declared, for the first time, a terminal bonus in respect of U.K. individual pension policies. In Canada we have made significant increases in rates of reversionary bonus and have also increased the rate of bonus paid under with-profits group pension schemes. Bonuses, under the latter contracts are paid in cash and declared on a biennial basis.

The declared rates of bonus are high by any standard and reflect the exceptional returns in monetary terms that accrue during inflationary conditions. It is therefore necessary to stress that current rates of bonus could not necessarily be maintained should investment yields subside in future to more normal levels.

# Standard Life

The largest mutual life assurance company in the European Community.

Head Office: 3 George Street, Edinburgh.

### PRICE CHANGES

Rises			
Lib-Latham	13p to 267p	Lloyds & Scott	19p to 186p
Jarratt Dervs	24p to 226p	Phillips Lamps	19p to 355p
WPA	22p to 422p	Ricardo Engrs	19p to 52p
Microcomps	2.71 to 2.62	Robertson Foods	14p to 150p
Amco	17p to 60p	Saatchi	20p to 363p

Falls			
Broken Hill	25p to 730p	Husky Oil	20p to 580p
Castfield	10p to 480p	Midland	7p to 308p
Cons Gold Flds	7p to 443p	Nitrate Explor	3p to 400p
Midlands Hold	12.20 to 11.60	Stag Petroleum	4p to 82p
Summersley	1.33 to 1.27	Remmies Cons	5p to 135p

### THE POUND

	Bank	Bank	Bank	Bank
	buys	sells	buys	sells
Australia \$	1.96	1.90	Netherlands Gld	5.12
Austria Sch	34.95	32.75	Norway Kr	12.55
Belgium Fr	81.75	77.75	Portugal Esc	128.00
Canada \$	2.71	2.62	South African R	1.99
Denmark Kr	15.36	14.56	Spain Ptas	165.00
Finland Mk	9.55	9.65	Sweden Kr	10.73
France Fr	11.40	10.90	Switzerland Fr	4.43
Germany DM	4.86	4.62	USA \$	2.30
Greece Dr	116.00	110.00	Yugoslavia Dor	79.50
Hongkong \$	12.20	11.60		
Ireland £	1.33	1.27		
Italy Lir	2380.00	2270.00		
Japan Yen	490.00	465.00		





## Gulf oil ministers in talks

Shaikh Ahmed Zaki Yamani of the Saudi Arabian oil minister hosted a "crucial" four-nation oil conference in Riyadh amid speculation that a new oil production strategy was to be discussed.

The meeting was attended by three other oil ministers—Shaikh Ali Khalifa al-Sabah of Kuwait, Dr. Mana Said al-Otaiba of the United Arab Emirates and Shaikh Abdul Aziz Bin Khalifa al-Thani of Qatar. Industry sources said the ministers were to discuss ways of offsetting the present glut in Western oil markets.

"At the crucial meeting, the Gulf oil ministers are to review the latest developments in the world markets and devise a collective strategy of production in line with the new market realities", one Kuwaiti official said.

### \$750m deal cancelled

United States Steel has cancelled a deal to sell \$750m worth of coal properties to Standard Oil Company of Ohio (Sohio). They were unable to agree on the commercial value of properties involved.

### Swiss car sales up

Swiss car sales increased 2 per cent in February from a year earlier to 22,838 units from 22,160. Japanese car makers showed the biggest gains, with Datsun sales up 160 per cent to 1,406 units, and Subaru up 109 per cent to 904 units.

### US production fall

United States industrial production declined a seasonally adjusted 0.5 per cent in February after a 0.4 per cent rise in January. The Federal Reserve Board said, February's decline was the first in seven months.

### Belgian jobless eases

Belgium's unemployment eased in mid-March to 376,000 or 9.1 per cent from 378,700 or 9.2 per cent a month earlier. The total was sharply higher than one year earlier, however, when it stood at 304,300 or 7.5 per cent.

Excess capacity and low profit margins taking their toll

## Food canners foresee more troubles

Britain's vegetable and fruit canning industry, already down to about 15 factories compared to twice the number 10 years ago, is squaring up to the prospect of short-time working, jobs at risk and possibly closure of some companies.

At the Anglian canning arm of Associated British Foods, Mr Russell Taylor, the commercial director, believes his company may be the only canning enterprise which is not losing money. "Not that we are making much profit", he added.

Smedley BP, the market leader with about 20 per cent and part of Imperial Foods, was also in trouble, faced with closing its Wisbech, Cambridgeshire, factory with the loss of 430 jobs. Smedley, which has closed three factories already in three years, has consistently made substantial losses in canning in recent years, according to the company.

The fate of Wisbech hangs on discussions just started with Tizer Kemsley & Mill, whose canning operations, at Gorleston, Norfolk, and Maldon, Essex, are the largest for supply of own-label canned fruit and vegetables.

A new company jointly owned by TKM and Imperial Foods (part of the Imperial

Group) is being planned with a £50m-a-year turnover, to be managed by TKM. It is hoped to have an agreement by the end of this month which would mean Wisbech continuing to manufacture although subsequent rationalisation plans will result in the loss of some jobs throughout the new group.

TKM has also been making losses in canning which it had hoped to halt by installing the latest machinery at Maldon. But TKM still faced canning losses last year.

About half the industry is working short-time, and some running at half capacity in the part of the year when non-seasonal lines like baked beans and spaghetti keep the factories ticking over before the first seasonal crop comes in at the beginning of May.

But the peak of the cropping season, many canners will not be bringing in the usual flood of temporary workers to keep the canneries going continuously. Clive Hartley, part of Cadbury Schweppes will be using only regular staff at its Montrose, Angus, factory. Canners can not afford to carry too much excess stock because of the cost of the capital tied up. It reflects the continued decline in the

market which is estimated since 1973 to have declined 26 per cent in vegetables and in fruit to have halved as both frozen and fresh foods have taken bigger slices of the market.

Already this month Lockwoods Foods, the Lincolnshire-based canners, has gone into receivership. Despite the closure of its Boston, Lincolnshire, factory—leaving four still operating—it is still the country's third largest canning operation with about 15 per cent of the market.

The industry has been facing sales decline of up to 3 per cent a year for some time but this year canned fruit has been especially hit because customers appear to class it as a luxury on which to economise. But the factor that points to the end of more factories and possibly some of the smaller companies is the industry's estimated overcapacity of up to 30 per cent.

Even if the receivers do not keep Lockwoods production going, there would still be excess capacity in what the Food Manufacturers Federation says is the worst-hit sector in food manufacturing.

Derek Harris



The Titan chassis-less double-deck bus.

## Leyland resumes production of Titan double-deck bus

By Clifford Webb  
Midland Industrial Correspondent

Leyland Vehicles has resumed production of its advanced Titan double-deck bus after an interval of 10 months, during which its absence cost £19m in lost sales.

A combination of falling bus traffic and smaller government subsidy on bus purchases has already cut demand from 2,300 double-deckers last year to an estimated 1,800 this year, and a 50 per cent drop in 1982 sales is forecast.

Sir Michael closed the Park Royal factory in west London when workers refused to improve their "appalling productivity" record, and planned

to switch Titan to the Eastern Coach Works plant at Lowestoft. The move had to be aborted when Lowestoft's skilled bus builders refused to accept an influx of the semi-skilled labour needed to produce the chassis-less bus.

Finally it has settled in a new home at Leyland National, Worthington, Cumbria, where the similar unit-construction National single-decker is built.

The first Workingston Titans will be leaving the factory later this month. But they will find different market conditions from those they left in May 1980.

An official of one of the largest passenger transport executives said yesterday: "The general feeling is that Leyland has 'missed the bus' with Titan."

## LETTERS TO THE EDITOR

### Changes to the Lloyd's Bill

From Mr John Follows

Sir, The letter from Mr R. K. Nesbitt and others (March 16) illustrates some confusion in the minds of the writers, for the following reasons:

1 In the general sense, Lady Middleton and her supporters are not opposed to the Lloyd's Bill. However, by due process of parliamentary procedure, they are seeking logical and reasoned amendments to the Bill.

2 Lady Middleton and the Association of External Names of Lloyd's purport only to represent the interests of the members of that association, and the suggestion to the contrary by your correspondents is erroneous.

3 The application by the Society of Lloyd's to Parliament for the enactment of a Bill is a political act. The writers must appreciate that immediately Sir Henry Fisher's report was published and found "overwhelmingly favourable" by the Committee

of Lloyd's, all actions flowing from it towards Parliament are, of necessity, political in nature.

4 I find it difficult to accept that members of what is, by definition, the wealthiest socio-economic group in the country, should find £50 a "high subscription". This seems to be a contradiction in terminology.

5 In a democracy, Lady Middleton is entitled to express her views; and if it be only in association with some 50 members of Lloyd's out of a total of 16,000 external names, then it is still entirely right and proper that she should be heard.

6 Even a humble prayer represented by a petition to Parliament, of necessity, costs money; those of us who are prepared to support Lady Middleton's views will subscribe that money.

Lady Middleton and her colleagues have made it publicly clear that they only wish to improve the Bill before Parliament. No reasonable person can truly resent the amendments that the petition seeks. It feels that Lloyd's should not attempt to place itself above the law;

it seeks to prevent incestuous relationships and obvious conflicts of interest (Fisher); looks, *inter alia*, to ensure that the great majority of non-who (financially) control base of Lloyd's, should be represented.

Surely, no impartial person can object to these aims? However, it is now unlikely that Parliament will allow the petition to go by unheeded. Certain the vast majority of the membership voted for a new Bill (myself included); but Lloyd's before Parliament as a petitioner on self-regulation, the Bill must be open to democratic debate and if need amendment. Parliament a feel that the establishment Lloyd's can continue to grow itself only if it listens thoughtfully to others.

Yours faithfully,  
JOHN FOLLOWES,  
Ole Mead,  
Elisenham.

Mr Bishops Stortford, Hertfordshire.

### Miners' co-ops

From Mr D. Hindson

Sir, Mr Horn (March 4) makes a perfectly valid point in suggesting that coal funds be used for some degree in independent production, coal through miners' co-operatives. The 1979 NCB Superannuation Report states £252m invested in property the Southeast. £61m in a whole of the Midlands a North-east where most of a "real" wealth, coal, was produced.

Lessons must be learned from the Mondragon experience in Spain, where a worker entering the scheme had to put up £2,000 of his own money. (Today's requirement, I do not know.) Where there is this commitment, success is more than likely. There are numerous mines working at present in our country—I wonder how many are co-operatives?

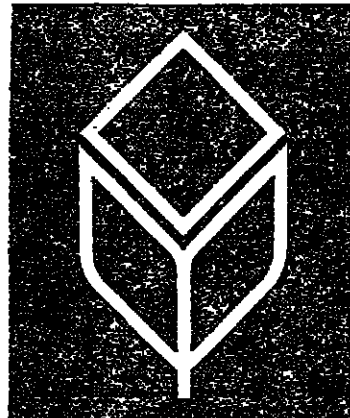
Yours faithfully,  
D. HINDSON,  
6a Telford Chase,  
Fairfield,  
Stockton-on-Tees, TS19 7DD

### Fate of TR7

From B. G. Muirhead

Sir, According to your report (March 14) on BL's TR7 at its performance in the United States export market, a strong currency is fatal to a mode of profitability and success. Sir, the legendary strength of the German mark, is it not there somewhat surprising that the highways of California are packed with Mercedes or Porsche sports cars?

Yours faithfully,  
B. G. MUIRHEAD,  
25 Warrander Park Terrace,  
Edinburgh, EH9 2LS,  
Scotland.



## Brooke Bond Liebig Interim Results: Salient Features

### Extract from the Interim statement of the group for the six months to 31st December 1980

	1980	1979
Sales outside the group	£325,988,000	£342,778,000
Group trading profit before interest	£22,778,000	£26,118,000
Group profit before taxation	£19,328,000	£24,206,000
Group profit after taxation	£11,372,000	£14,329,000

#### Results

Comparisons are distorted by the fact that UK profits in the corresponding period of last year were favourably influenced by the deferral of advertising expenditure caused by the independent television strike and by higher than normal sales of imperial packs of tea prior to matriculation.

Adjusting for these factors, grocery trading produced higher profits partially offset by somewhat lower returns from meat interests.

Overseas distribution companies recorded good results with strong profit improvements in France and South Africa. Further benefits accrued from loss elimination in the Argentine, but plantation profits were adversely affected by falling crop prices and higher costs.

The integration of Mallinson-Denny into the group is proceeding as planned following the completion of the acquisition on the 26th January 1981.

The board confirms the indication given at the time of the offer that, in the absence of unforeseen circumstances, it expects to recommend net dividends in respect of the current financial year to 30th June 1981 of not less than 3.90p per share (the rate payable in respect of the year ended 30th June 1980).

#### Interim Dividend

The Directors have declared an interim dividend of 1.25p per share (the same rate as last year). This dividend will be paid on 1st July 1981 to shareholders on the register on 29th May 1981 in respect of the 306,465,057 ordinary shares in issue (last year 257,123,051).

The amount of the interim dividend will be £3,830,813 (last year £3,231,714).

Copies of the full statement will be sent to all shareholders. Additional copies may be obtained from the Secretary, Brooke Bond Liebig Limited, Thames House, Queens Street Place, London EC3R 1DH.

Brooke Bond Liebig is an international group encompassing food manufacture and distribution, the timber industry, agriculture and horticulture, agricultural chemicals, micro-biological products and fine chemicals, commodity trading, printing and packaging, insurance broking, distributive agencies and other activities.



## Highlights of the year 1980

1980 was a remarkably successful year for the Group. Earnings rose, due to the expansion of our clientele throughout the year and to active bullion trading, especially in the first half. In the light of international instabilities, we increased liquidity and carefully monitored credit risk and interest rate movements. We also enlarged our capital resources, which at year end stood at over US\$800 million. The year marked the 25th anniversary of the foundation of Trade Development Bank's predecessor, Sodafin. The bank's subsequent growth has brought it to the point where it is the largest foreign-owned bank in Switzerland and the past year was again a record one for earnings and customer deposits. The bank's equity capital at year end amounted to Sfr. 371 million.

Republic New York Corporation, of which the Group owns 61%, raised its dividend twice in the year, reflecting an earnings increase of nearly 100%. At year end the equity of its subsidiary, Republic National Bank of New York, was US\$448 million, making it the 21st largest bank in the USA.

During the year the Group sold half its strategic gold investment at a profit of US\$11 million. This is treated as an

exceptional item in the financial statements. Since the year end the Group has sold the remainder of this investment, producing a further exceptional profit of US\$5 million. While the Board cannot count on a repeat of the exceptional bullion trading conditions of 1980 the new year has started promisingly and the Board is recommending an increase in the regular dividend from US\$0.75 to US\$1.00 per share, together with a special 25th anniversary bonus of US\$0.25 per share.

11th March, 1981 EDMOND J. SAFRA  
Chairman



Trade Development Bank Holding headquarters are based in Geneva; an increasing importance financial centre.

### Consolidated Balance Sheet as at 31st December, 1980

Assets	31st December 1980	31st December 1979	Liabilities	31st December 1980	31st December 1979
Cash, balances and advances to bank	3,398,401	1,637,004	Deposits, balances due to customers and interest payable	8,629,833	6,263,595
Bank certificates of deposit	711,866	356,575	Accrued interest payable	142,609	128,302
Precious metals	293,047	301,541	Other liabilities	108,317	94,381
Financial paper	1,823,207	1,872,123	Capital and loan funds:	8,880,760	6,686,278
Government bonds (USA and UK)	684,746	300,091	Sinking Fund Notes 2002 and 2004	60,000	60,000
Floating rate bonds	231,544	49,369	Sinking Fund Debentures 2001, 2002 and 2005	157,850	85,000
Other bonds and securities	526,147	333,388	Notes 1990	28,400	—
Customer current accounts and advances	1,736,047	1,600,595	Floating Rate Loan 1985-1990	25,000	—
Investments	28,828	41,247	Floating Rate Loan 1986	35,000	40,000
Fixed assets	83,622	66,921	Minority interests	21,004	39,435
Accrued interest receivable	137,464	83,341	Shareholders' funds:	160,988	107,155
Other assets	102,424	117,765	Share capital	24,731	24,630
			Reserves	297,421	228,239
			Total shareholders' funds	322,172	253,149
			Total capital and loan funds employed	9,002,932	6,945,019
			Contingent liabilities:	9,089,333	7,071,277
			Letters of credit and guarantees	508,988	262,129

	For the year ended 31st December 1980	1979
Net earnings after taxes, minority interests and transfer to inner reserves (US\$ 000)	7,487	44,387
including exceptional profit	63,655	44,387
Earnings per share	US\$ 4.55	US\$ 2.70
including exceptional profit	US\$ 3.87	US\$ 2.70
Average number of shares outstanding during the year	16,435,908	16,410,800

## Trade Development Bank Holding S.A.

### Principal Subsidiaries

Trade Development Bank, Geneva • Republic National Bank of New York, New York  
Other affiliates and offices in: Athens, Beirut, Buenos Aires, Caracas, Chisao, Frankfurt, George Town, Hong Kong, London, Los Angeles, Luxembourg, Mexico City, Miami, Monte Carlo, Montevideo, Nassau, Panama City, Paris, Punta del Este, Rio de Janeiro, Santiago de Chile, São Paulo, Tokyo.



BY THE FINANCIAL EDITOR

## Putting together a new banking giant

Standard Chartered and Royal Bank of Scotland have had to steer a difficult course between asset values and earnings in determining the terms of their merger. In the event it looks as though the short term benefit lies with Standard whose 1-for-5 offer plus 50p cash values Royal at 139p after the 53p slump to 64p in Standard's share price as the market adjusted to the extra 45m Standard shares that would need to be digested.

This is around 90p below last December's asset value but against that Standard can show a much healthier earnings outlook with latest year pretax profits on a sharply rising trend up from £170m to £232m while Royal's £100m pretax in 1980 represents a cyclical peak. And there are some worries that Royal's downward trend could hamper Standard's prospects over the next few years.

But Standard will have access to Royal's strong capital base which will improve its own weak ratios considerably—free equity rises to almost 3 and the free capital ratio goes to 4.4—and may be seen by some as a disguised rights issue and at the same time is getting a useful United Kingdom tax base to solve its looming problems on this front and appears to be avoiding any earnings dilution along the way.

For Royal the benefits appear to be much longer term, exposure to overseas banking and the build up of its United Kingdom retail network. But both sides were stressing the sound strategic sense of the deal yesterday and denied suggestions that there was anything defensive.

Lloyds Bank itself wasted no time yesterday in putting in an offer for Lloyds & Scottish after Standard's agreement in principle to dispose of Royal's 39.3 per cent holding. The logic of that move has always looked compelling and while its 200p a share offer fully values L & S representing something like twice asset value, there are hidden benefits to Lloyds in the deal. For one thing full consolidation of L & S will provide a useful contra cyclical source of earnings to domestic banking. More important is likely to be the tax shelter Lloyds will enjoy from L & S's leasing side and the entree to the consumer hire purchase sector where Lloyds has traditionally been weak.

A third party bidder for Royal now seems more remote than a monopolies reference though if the new grouping does emerge as planned at the moment it can claim that competition will be increased. For investors the realignment in United Kingdom banking reduces the scope for investment in the sector and there is still a suspicion that regional bank managements are pushing for concentration for concentration's sake.

Barratt

### Still bucking the trend

Barratt Developments, Britain's biggest housebuilder, claims to be unique. The stock market interprets that as being unorthodox. But figures eventually speak louder than reconstructions. The shares jumped 24p to 26p, a new peak yesterday (at one time last year they were 80p) when Barratt published interim pre-tax profits to December by some 3 per cent to £11.8m while turnover rose by 24 per cent to £128.5m. In the year to last June profits rose by 6 per cent to £24.7m.

Suggestions that its profits simply reflected a policy of buying land cheap and selling it dear are rejected by the company. Barratt maintains that the cost of carrying the land negated any such profit. Barratt says it decentralizes selling more than any other competitor; and that up to a quarter of its homes are now timber framed which means they can be built more quickly. Moreover, a policy of subcontracting means that small builders, hungry for work can take the strain when business is tough.

Barratt is no longer subsidizing mortgages, and expects the housebuilding industry to pick up quickly this year. It should complete 12,000 or more homes against 1,000 last year. It will then have around 11 per cent of the market. As the year progresses, housebuilding costs and prices will once again move in opposite directions. In the latest half year the two United States acquisitions did little to contribute—they are being switched to the Barratt style of selling—but they are scheduled to do so or more in coming years.

Debt is still only 60 per cent of funds employed and if, as some say, Barratt reports profits of £27m this year to June, there will probably be no cash-call until

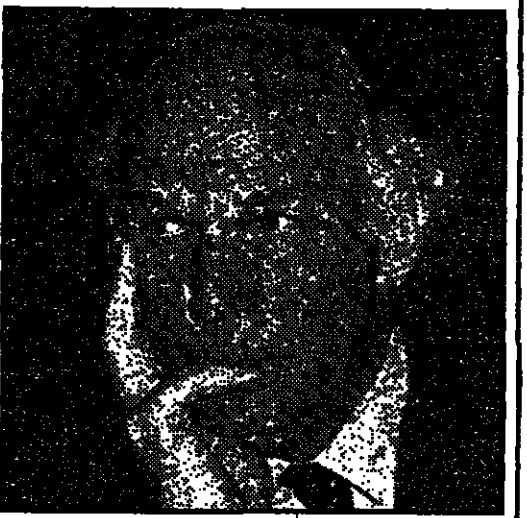
autumn when housebuilding could be starting to explode into expansion. Barratt is still under-represented in the South of England where margins are fattest. The shares still yield a well covered 7.7 per cent, and seem likely to come in for further support.

IMI

### Plumps for a rights issue

IMI's results were not only better than most engineering companies have been able to manage during 1980, but also better than the market was expecting. Although volumes were down by over 5 per cent, profits have only fallen from £34.5m to £28.2m pretax, and even this was after charging £5m of redundancy costs.

So IMI is taking full advantage of these figures by tapping the market for £27.5m at a time when the balance sheet is looking strong. Before the issue IMI had net borrowings of only £53m against £200m net



Sir Robert Clark, who will become chairman of IMI next month.

tangible worth. Inevitably the rights issue has given rise to speculation that a major acquisition is on the way.

The other point for shareholders is that in real terms IMI is not generating enough profit to maintain the business and also pay dividends at the current rate. The dividend was uncovered under CCA in 1979 and may be again in 1980, when it will cost £12m net and very likely more assuming there is still unrelieved ACT to pay.

Profits in 1981 may even be held around last year's levels with help from the interest on the rights money and the promise of a maintained dividend on the enlarged capital assuming nothing drastic happens is likely to carry more weight in the short-term than worries about CCA.

Brooke Bond

### Ahead in Britain

Brooke Bond Liebig's first half pretax profits, down almost £5m to £19.3m, are not strictly comparable with the 1979 figures since those results were distorted by the deferral of television advertising expenditure and the abnormal sales of imperial tea packs in the run up to metrication.

The United Kingdom contributed 52 per cent of the £22.8m operating profits, a sharp rise from the 40 per cent of only about a year ago. This is a deliberate policy, largely encouraged by the high rate of tax on foreign earnings in their country of origin.

Despite trade de-stocking and the High Street price war, retail tea margins remained good, while Brooke Bond's share of the market was maintained. Baxter, the butchers, made higher profits in the first half, helped by heavy Christmas spending. But the other side of the domestic meat business, the slaughtering, suffered from the high price of livestock and foreign competition. The profit contribution fell from about £500,000 to break even.

Overseas earnings down about £500,000 to £10.8m and the unusual factors in the comparable period of the previous year cut trading profits by £3.3m. It was interest charges soaring from £1.92m to £3.47m which hit pretax profits.

This increase was mainly attributable to the cost of the 29 per cent stake in Mullins-Denny. That company's profits will be included in the final figures, but so will the interest charge for taking control of the timber importers.

Later this year the Government may pick international partners to collaborate on the building of a prototype fast breeder reactor of commercial size in the United Kingdom.

The United Kingdom Atomic Energy Authority hopes that it will. It has told the Government that it thinks that a fast reactor needs to be built and it is naturally keen to move on from the experience gained on the two small-scale plants it has operated at Dounreay in Scotland to the logical next stage of development.

A choice of international partners, which would help to defray the cost of the new reactor (likely to be at least half as much again as that of a conventional nuclear station) would set in motion the process leading up to the ordering of a demonstration commercial project within the next few years.

Opposition is likely to be strong, however. The great advantage of the fast reactor is that its use of uranium is some 60 times more efficient than that of the conventional thermal reactors which form the Government's intended nuclear programme at present, but it is technologically more advanced and relies on plutonium, an element used in the production of nuclear weapons.

Before a decision is taken to build a fast reactor, the Government has promised a public inquiry, which is likely to be fought as bitterly as was the application for a licence to reprocess capacity at Windscale four years ago. Much of the argument may depend on whether fast reactors are economically necessary.

If uranium becomes more difficult (or vastly more expensive) to obtain, faster reactors will come into their own. Too early a start on a fast reactor programme could be a waste of money and public servants' time, too late a start could leave Britain dependent on imports of another highly expensive fuel.

At first glance Britain's supplies of uranium look precarious. The 124 per cent of Britain's electricity generated by nuclear power involves the use of 1,500 metric tonnes a year of uranium ore. All the United Kingdom's requirements are met by imports from only two suppliers, a contract for about 1,000 tonnes (a short ton is a little less than a metric ton) from Rio Algom in Canada ending in 1982 (to be replaced by a contract for a broadly similar amount over 10 years to 1992) and a contract of an undisclosed amount from the Rossing mine in Namibia.

Dependency on only two sources, particularly when one—Rossing—is in a potential unstable country whose future is in doubt, might appear to be a serious worry. But it is not in doubt, though there is no immediate worry if either contract were to be cancelled. Both were agreed when Britain's nuclear power programme was expected to grow far faster than it has.

The delay in commissioning the advanced gas-cooled reactors, largely ordered during the sixties, has meant that stocks have risen. But while stockpiles might give us an adequate breathing space in an emergency they are not an open-ended source of supply. Imports and usage are now approaching balance and there will soon be another three nuclear stations on stream.

The Civil Uranium Procurement Directorate, which was set up in 1979 to coordinate the buying policies of British Nuclear Fuels, the South of Scotland Electricity Board and the Central Electricity Generating Board, is aware of the problem.

The uranium market is highly political. Only six countries are producing the material—Australia, South Africa (including Namibia), Canada, the United States, Gabon and Niger.

In 1977 Canada placed a moratorium on exports to Europe because it believed that it was unable to gain sufficiently satisfactory assurances on safeguards against weapons proliferation. Australia, under Mr Gough Whitlam, delayed mine development and exports of uranium; and the United States, under President Carter, placed stringent restrictions on the use of uranium enriched in its plants and exported for use in overseas reactors.

Britain was able, because of its stockpile, to help out a German utility which had run short of supplies, but with a programme now which involves building roughly one new nuclear power station a year for 10 years, the procurement directorate is keen to diversify its sources.

It appears to have plenty of time to do so. During 1980, the number of new orders placed and the spot price of uranium fell sharply. Indeed,

American utilities have sold out material from their own stocks, undercutting producers, and sometimes producers have bought from the utilities to sell to other users.

But the present lack of demand for uranium could create problems for the future if it means that new mines are not put into production. A further problem is that supplies are often tied into firm contracts for the enrichment processes necessary to make the uranium usable in reactors and these contracts have run ahead of utilities' needs, creating additional stockpiles of prepared material.

Steady stockpiling policies by power station authorities could keep demand rising smoothly, however, Mr Philippe Drayman, of Uranium Technology, Uglite Kuhlmann, suggested to the fifth annual symposium of the Uranium Institute last September that maintaining world stockpiles of between two and a half and three years forward requirements over the next few years would secure sufficient new mining capacity for future needs.

Certainly, the United Kingdom authorities have been fairly relaxed in their procurement policies. Negotiations were undertaken for supplies from the new Ranger mine in Australia, but it was decided that the terms were not sufficiently advantageous. The Rossing contract runs out without an automatic renewal in 1984 and for political as well as strategic reasons an attempt is bound to be made to spread supply risks elsewhere. Ideally, by the 1990s the procurement directorate

would like supplies from about five countries under a dozen or so medium-size contracts.

It would also like about a quarter of its supplies to come from operations in which it has an interest. Since 1974 the Central Electricity Generating Board has taken partnerships in uranium. It now has interests in the United States, Canada, Australia and in several African states, although none of them have yet produced uranium finds in commercial quantities.

Uncertainties over the future will always remain. Uranium has an average life of 10 to 15 years, whereas a nuclear power station should last for at least 30 years. Additional supplies in the United Kingdom are, however, available from the reprocessing of spent uranium, which will increase sharply when the expansion of British Nuclear Fuels' plant at Windscale is completed.

Britain has no need to be panicked, it is going for fast reactors. It now has to depend on how the international market in uranium is likely to develop and whether alternative technologies, such as wind, wave and tidal power, can provide energy supplementary to that provided by conventional fossil-fuelled and nuclear plants at competitive cost.

But a country without its own uranium supplies must become increasingly vulnerable to supply interruptions. As the world becomes more reliant on nuclear power, the fast reactor provides an insurance policy. The problem is deciding when to take it out.

## Wrestling with the politics of uranium

Nicholas Hirst and Michael Prest

## Hard times in America's 'motor city'

The citizens of Detroit are feeling the effects of cutbacks in the car industry



Waiting "in line" at the Detroit unemployment office: the proportion of workers without jobs has been as high as 20 per cent.

Detroit

Like the American car industry, which lost \$4,000m (about £1,800m) last year, the citizens of Detroit—America's "motor city"—have had to change their life-styles. The car market has been depressed for about a year and the industry has been forced to lay off hundreds of thousands of workers nationally and tens of thousands locally.

"I see people coming into the welfare office who have never been in one before because they have always been able to make it on their own somehow," says Mr Clifford Schnell, a state welfare department official.

"Most of the people believe that they will be able to get another \$10-an-hour job in a plant some day. They don't realize that times have changed."

The most recent unemployment figures for January, 1981, showed 230,000 unemployed in the Detroit area compared with 238,000 in December and 230,000 in January, 1980. Of these about 50,000 were car workers still eligible to receive unemployment insurance benefits.

The local unemployment rate in the Detroit area was 14.4 per cent in January compared with 11.3 per cent one year earlier. During the peak period for layoffs last spring, it was much higher, with estimates for total unemployment in the city put at more than 20 per cent.

Typically, a car worker with a wife and two children might take home \$1,200 (about £520) a month while working. First laid off with unemployment insurance, and then with unemployment benefit he would take home 95 per cent of that amount.

After those benefits expire, typically in about 26 weeks, his benefits under a state programme of assistance for dependent children of the unemployed would total about \$600 a month to cover the cost of shelter, food and clothing for his family.

The unemployed man would also receive \$100 a month in food stamps, which he can exchange for food at markets, and his family medical and dental bills would be paid.

The single worker on general assistance would receive about \$250 a month after his unemployment insurance and supplemental unemployment benefits expire.

For many laid-off car workers the initial benefits have now

expired, leaving only general assistance.

The local business activity index, which is a good indicator of real income, fell by 19 per cent last year, says Mr David Littman, an economist who is vice-president of Manufacturers National Bank.

"It was the sharpest decline since the 1958 recession. The lowest cyclical point was last June," he says. "We are definitely off the bottom of the cycle."

Mr Littman believes that the long-term position will improve, but there will be no dramatic improvement in the short term. The decline last spring corresponded to the period of heaviest layoffs, although real disposable income fell only slightly, because of unemployment insurance, supplemental unemployment benefits, trade readjustment assistance and other transfer payments.

The changing life-style of the city manifests itself in various ways. Local merchants have reported a drop in consumer buying in "blue collar" areas and many restaurants say there has been a noticeable fall-off in the lunch and dinner trade because of sharply reduced expense accounts and restricted family budgets.

But if eating out has become a luxury many can no longer afford, the consumption of alcohol has not been affected—indeed, quite the contrary. Many taverns report an increase in their business but surprisingly perhaps, in view of the widespread despondency and the higher than usual intake of alcohol, the police have not found any corresponding increase in the crime rate.

The entire city is acutely aware of these problems because local newspapers, television and radio stations have given blanket coverage to the bad economic news, complete with pictures of long queues of unemployed and empty shopping centre car parks.

There are several fears that Reagan administration budget cuts in social assistance programmes could have an immediate and severe impact on Detroit. Officials in Detroit and other area communities are particularly worried that plans to cut food stamp benefits, funded in part by Federal aid, could have an immediate effect on the unemployed.

Another "vital" programme which will be trimmed is the Comprehensive Employment and Training Act, which communities have used to retrain laid off workers, train and hire the hard-core unemployed and provide part-time employment for urban youth.

Detroit has asked the state legislature to allow it to raise local income tax rates to help the city meet its budget deficits. Mr Littman says that raising the tax rates now "would be economically the worst thing" the city could do.

To face the city of Detroit and the Michigan State Government are both faced with massive budget cuts, tax increases or both, to compensate for lower income and sales tax revenues.

Mayor Coleman Young, who has personally lobbied on behalf of the city and the car industry in Washington, is credited with having generated a "renaissance" in Detroit and his administration is now trying to maintain that image in the face of the local economic problems.

"In spite of the unpre-

cedented crisis in the car industry because of rising prices, high interest rates and an unsettled economic picture, Detroit's renaissance is continuing," he says.

"We are building for the future with the emphasis on diversification of our economy and an increased attention to our inner city. As the renaissance is above all a matter of the spirit and culturally Detroit is alive and well."

But in spite of the announced plans to diversify the local economy a scheme to create a free trade zone in the port and other attempts to lure business other than the car industry to the area, there is an understanding that this is still the "motor city."

Indeed, General Motors plans to close its Cadillac plant but replace it with a newer facility, if it can get the necessary tax incentives and survive a legal challenge from the residents who would be displaced by the new plant. If it fails, the city will lose another 6,000 jobs.

And the shrinkage goes on. Chrysler closed one plant in the area last year and is to shut another one this year, eliminating another 2,600 jobs. Both General Motors and Ford have plans to cut thousands of salaried staffs by as much as 15 per cent, which will eliminate thousands of further jobs in the Detroit area.

There may be differences about whether this cutback in the car industry is cyclical or permanent, but there is general agreement that Detroit is not out of the economic woods yet and that even the expected spurt in car sales later in the year will not make the unemployment queues disappear immediately.

But hope does not die easily. There also is the feeling that there is indeed a road back to economic recovery for Detroit, even if it is in despair.

Edward Lapham

## Business Diary: Unnatural breaks? • Tripe à la mode

There was little cheer for the commercial television industry yesterday from a brace of nights close to its heart—Huw Idris Jones, the former managing director of BBC TV and Richard Marsh, one-time Labour cabinet minister and now deputy chairman of TV-M, the successful breakfast television consortium.

Both beamed happily at the launch of a new company designed to take advertising revenue away from the existing commercial stations and, what more, to do so in a way which the conventional television companies are banned from imitating.

Sir Huw, Sir Richard and Mr Marsh linkman Michael Barratt are the three big names to have a personal stake in commercial video which is designed to cash in on the home video boom.

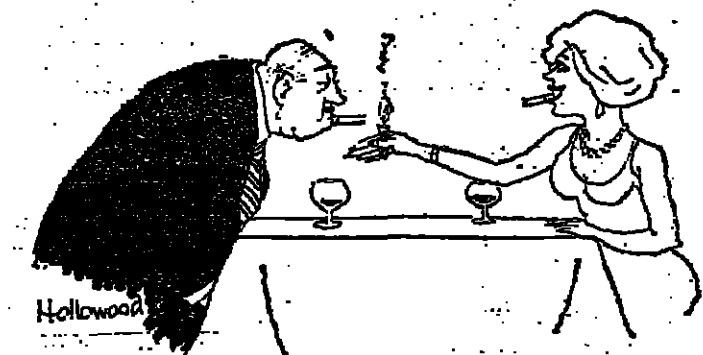
TV offers manufacturers the chance to pay for the production of a one-hour pre-recorded programme, usually at about £20,000 time, which will then be sold to the public for about £13 a me.

which is likely to infuriate the television companies. Home video is in something of a privileged position at present, completely under no formal code of advertising practice. Independent television does not have a code of advertising practice, though, as the code is not meant to apply to home video, it is difficult to see just what this means.

But all is likely to become clear within a few months. New powers for self-regulatory control of home video advertising and the Post Office's Press, which are also outside the present legislation, are reported to be on the way, probably from the Home Office.

"BP Polystyrene improves Austrian beer" is the unlikely headline over an announcement from the oil company. It turns out that the poor Austrians do not swallow the stuff. Polystyrene is floated on top of beer to remove sediment.

As Prime Minister during the next war, he promised blood, toil, tears and sweat, which eventually had to be



"I don't feel so awful accepting your posh cigarettes costing about 5p each when I can offer you the use of my lighter newly taxed at 35p."

● Francophobes really must subscribe to the monthly review of France's leading private bank, the Banque de Paris et des Pays-Bas.

The latest issue treats us to a lecture on Britain's downfall. The slide started, the bank says, when Winston Churchill, as Chancellor of the Exchequer in 1925, fixed the exchange rate of sterling at the prewar level, thus provoking an economic crisis and setting the country on the road to ruin.

As Prime Minister during the next war, he promised blood, toil, tears and sweat, which eventually had to be

paid for with overpriced social reforms.

Our "splendid isolation" left us the empire, replacing it with nothing; our trade unions are Malthusian and our businessmen are financiers rather than industrialists.

The distinctly unfattering survey concludes that Mrs Thatcher's real aim is to change in depth the social and political behaviour of the British, but that she has failed. This is seen as proof that it is impossible to change mentality and behaviour by decree, not to mention preconceptions about those funny people across the Channel.

● Walter Goldsmith, the director-general of the Institute of Directors, who is always slow to offer advice, now has some for Lord Soames, the former Governor of Rhodesia.

Soames returns to Salisbury next week to lead the British delegation at a conference of international organizations and governments discussing the country's reconstruction and development.

Goldsmith, just back from his second visit since the lifting of sanctions, says that the British Government should concentrate its aid on specific projects and act in partnership with industry.

The railways were in particular need, having been starved of investment, he said. Given the Government's reluctance to cough up the investment, Sir Peter Parker has demanded for our own railways it would surely be ironic if Soames followed that bit of advice.

As far as purely private business investment is concerned, let no one in England think that they have any advantage Goldsmith says. "They will have to operate against international competition."

He thinks that the battle has been already lost as far as restructuring the telecommunications network is concerned, but

that there is still plenty of opportunity in other areas.

● Sure enough, somebody at British Aerospace, Weybridge, has identified the mysterious model of an aircraft, which was found in a locked cupboard bought three years ago from its predecessor, the British Aircraft Corporation, and mentioned here on Monday.

It is, it seems, a Vickers Supermarine 589, a missile designed in 1957 to replace the cancelled Blue Steel stand-off bomb and it was to have been carried in the bomb bay of the Victor bomber.

So we were wrong in suggesting that with its wingtip engines it was a design for a vertical take-off aircraft, but was were right in saying that, like so many other British aircraft projects since the war, it was cancelled.

What on earth is happening to the National Health Service? Struggling through a hailstorm in Holborn yesterday, I was somewhat bemused to meet a group in face masks and green surgeons' gowns pushing what appeared to be a patient on a trolley. "Fancy contributing to research at St Bar's, sir?" asked the leading medico, waving a collecting box.

David Hewson

## Barratt Developments Limited

### INTERIM STATEMENT

#### RECORD SALES AND PROFIT

During the half year to 31st December, 1980 the Barratt Group continued its controlled expansion which enables it to report, yet again, record interim turnover and profit. The following are the unaudited results of the Group:

	Half Year ended 31st Dec. 1979	Half Year ended 31st Dec. 1980
Turnover	£700	£700
Net Profit	128,558	103,368
Taxation	11,887	11,529
	—	2,300
Profit after Taxation	11,887	9,259
Interim Dividend	1,656	1,325
	10,231	7,934

A record number of houses were built and sold, through a national increase in market share, particularly in Southern England.

Studio Solo, which was successfully launched at the Ideal Home Exhibition last week exemplifies once again, the Company's innovative approach to product design and marketing, which has made it the market leader in the industry.

The planned expansion of the Group's property investment portfolio has continued, and it is on target to achieve a net profit of £4 million by June, 1981. The current programme of industrial and commercial developments includes an increasing number in London and the South East.

Contracting activities are showing a marked improvement with forward order book. Sound progress is being achieved in both property conversion and leisure property.

The initial U.S.A. acquisition in Southern California is now complete. The second U.S.A. acquisition in Northern California, McKean Construction Inc., was announced on 17th November, 1980, for a maximum consideration of \$2.5 million, due for completion shortly, on fulfilment of certain conditions, including the consent of McKean Stockholders. In the nine months ended 30th November, 1980, McKean's unaudited net earnings after tax were \$2.2 million.

As stated at the time of the capitalisation issue the Group is declaring an Interim Dividend of 3.5p per share, representing a 25% increase over the comparable dividend last year, payable on 16th April, 1981. It is anticipated that the final dividend will show a comparable increase.

The Group's current trading remains strong. Unused bank facilities of almost £50 million, coupled with an excellent land bank, well able to take advantage of the markedly improving trading climate.

L. A. BARRATT, Chairman



## FINANCIAL NEWS

## Stock markets

## Bank takeover news sets firm trading tone

Selective buying of second liners by most of the leading institutions saw equities maintain their recent rally yesterday.

Strong overnight support for Wall Street, which enabled it to stay above the 1,000 mark, saw trading begin on a firm note with electricals again popular.

Segment was also helped by the latest round of takeover news among banks with both Standard Chartered and Royal Bank of Scotland returning from suspension after their merger proposals. Standard opened 47p lower at 650p, before diving to 620p and then recovering to close at 644p, a net fall on the day of 53p. Royal Bank of Scotland was in better form and rallied 40p to 136p.

The bid from Lloyds Bank, up 7p at 315p, for Lloyds & Scottish, 40 per cent owned by Royal Bank of Scotland, provided fresh stimulus as the shares rebounded 19p to 158p.

Elsewhere, the general shortage of stock and subsequent squeeze kept jobbers on their toes adding an exaggerated slant to most price movements.

In the event, the FT Index, which was 2.9 higher at 10 am, eventually closed up 7.8 at 487.6.

Government securities encountered profit taking after their recent strong performance. But the Government Broker was still able to activate the new tap Exchequer 12½ per cent 1990 at 115 5/16 but it was later withdrawn.

In longs, prices opened steady but drifted throughout the day with most prices closing 1/2 below their best levels, while in shorts earlier rises of 1/16 soon gave way to see the list close basically unchanged on the day.

Leading industrials made moderate progress in the thin conditions with Becthams 4p steadier at 160p, Glaxo 4p at

278p, Unilever 7p at 490p and Fisons 10p at 143p. But most eyes were firmly focused on GKN, up 3p at 131p, ahead of figures later today.

In the meantime, Metal Box hardened 4p to 170p, Hawker Siddeley 6p to 280p while Turner & Newall rose 3p to 79p amid talk that South African interests were at work.

Most of the major City investment analysts were anxiously awaiting their turn at a meeting last night at the Insurance Institute to see the board of ICI about future prospects. However, they are likely to be confronted with yet more gloom. The shares yesterday added 4p to 236p.

The takeover fever seen in banks and financials worked through to the rest of the sector. Bank of Scotland jumped 10p to 302p but Grindlays, for a long time favoured as a takeover candidate, relapsed 7p to 175p. In financials, Provident Financials climbed 12p to 146p, followed by Wagon Finance 4p to 53p. But FNC reverted to unchanged at 311 after an earlier rise of 11p at 33p.

This flurry of activity again pushed the main clearing banks into the background with small

gains due mainly to the thin conditions. Barclays added 7p to 388p, National Westminster a similar figure at 358p, while Midland slid 7p to 308p, ahead of figure on Friday.

Electricals remained popular with shares of ICL advancing another 3p to 45p amid talk of a financial rescue operation by the Government. AB Electronic rose 2p to 106p, after 92p, following figures and an encouraging trading statement, but Victor Products shed 4p to 164p in the wake of recent figures. Awaiting figures on Friday Standard Telephone & Cables expanded 8p to 517p while BICC, reporting soon, climbed 9p to 208p. The sensitive conditions provided improvements in GEC 7p to 653p, Royal 4p to 359p, Plesey 7p to 330p, Thorn EMI 8p to 316p, Ferranti 12p to 555p. Electronic components 25p to 678p and Kodak 15p to 305p.

Elsewhere on the bid front, profit taking clipped 2p from Tunnel Holdings at 386p as T. W. Ward gained 4p to 124p. Bond St Fabrics returned from suspension to rise 3p to 39p after bid terms from Auchinleck and bid talk stimulated Davies & Newman 14p to 168p. Milford Decks was wanted, 11p better at 121p, as North American increased its stake to 10.7 per cent.

Among those to benefit from stock shortages were, Great Universal Stores "A" 13p to 468p, Saatchi & Saatchi 26p to 363p and Dowty 12p to 259p, while speculative buying hoisted Braby Leslie 3p to 31p, Geers Gross 7p to 99p and Grimmer 10p to 144p.

Favourable mention of the leisure market helped Management Agency & Music 6p to 188p, Associated Leisure 5p to 131p and Kadbrooke 12p to 272p.

Building had Barratt Developments 24p stronger at 226p after improved interim figures, as Fairclough rose 13p to 97p after a better performance than expected. The anticipated 27m rights issue accompanying figures left IMI 13p better at 61p but disappointing trading news lowered Stag Furniture 4p to 83p and Ductile Steel 2p to 43p. BTR continued to benefit from recent figures leaving 32p to 472p.

In foods, figures from Brooke Bond Leibig were in line with most expectations and the shares rallied 1p to 48p. Cadbury Schweppes was wanted, ahead of figures due out soon, firming 3p to 76p as was Bejam for a similar reason 7p dearer at 120p. Avana was another favourite, rising 7p to 213p, while its prospective partner Robertson Foods hardened 14p to 150p despite the rejection of the offer. In the mean-

time, speculative support left Bernard Matthews 15p higher at 383p, making a 35p rise so far this account.

Shortage of stock and the over-enthusiasm of Wall Street kept oil shares on the move yesterday with prices continuing to gather pace regardless of the low turnover. BP edged ahead 6p to 392p along with Shell 4p at 396p, Ultramar 7p at 438p, Lamo 17p at 609p and Barmah 3p at 174p.

Among second liners, selective buying lifted Premier Cons 1p to 104p, Imperial Continental Gas 5p to 223p, Berkeley Exploration 15p to 293p and KCA International 2p to 193p.

Full-year results from Tricentrol due tomorrow will be at the lower end of expectation. Analysts have been downgrading estimates and are now looking for between £15 and £15.5m of net income, compared with £10.4m last time. However, the shares remained buoyant with an 8p rise to 288p yesterday.

Properties tended to follow the market better, but business remained low key. MEPC rose 3p at 230p, Land Securities 6p at 400p, Hammerson "A" 5p at 610p and Stock Conversion a similar figure at 338p.

Equity turnover for March 16 was £100.238m (bargains 17,657). Active stocks yesterday, according to the Exchange Telegraph, were Razel, Thorn EMI, Saatchi & Saatchi, Robertson Foods, Hambro Life and Avana Group.

Traditional options: Dealers reported quieter conditions yesterday. Calls were made in ICI, Turner & Newall, Coas Gold, ICL, Conex, and Plessey.

Traded options: A total of 613 were recorded. GEC exercised 27, ICI 41, Commercial Union 25, Courts 62, Cons Gold 4, and BP 37.

## No interim as Ductile drops to £1.5m loss

By Margareta Pagano  
The West Midlands steel group, Ductile Steels, yesterday disclosed that despite large-scale redundancies and short-time working it had plunged into losses. The interim dividend has been passed.

Interim results to December show a pre-tax loss of £1.48m compared with profits last time of £2.37m. Sales fell by 40 per cent to £23.12m against £37.37m. The interim dividend last year was 3.02p gross. The shares tumbled 2p to 43p, just 1p above the low for the year.

Mr Ronald Sidaway, chairman, said this was the first time a loss had been recorded since Ductile was founded in 1956.

All divisions were severely hit by the acute shortage of orders and increased costs, but the worst affected were those in the steel and engineering divisions.

The group had felt the effect of extra costs coupled with the high pound and high interest rates which encouraged imports, and at home, price cutting by the British Steel Corporation, he said. Ductile's main customers are the motor industries.

The worst signs of the slump in demand started last May, demand had collapsed to about 40 per cent of the previous year. Short time working continues at most of the group's plants and over the year some 300 employees have been made redundant. This leaves a workforce of 1,900.

Commenting on passing the dividend, Mr Sidaway said: "As yet there are few signs of a general recovery in trade. Under these conditions we must suspend payment of a dividend until we know the results for the full year and are better able to assess our future prospects."

Last year to June pre-tax profits were £4m on sales of £72.79m.

## Fairclough inches ahead despite fall of associates

By Peter Wainright  
Fairclough Construction Group, the civil engineering, building, tunnelling, opencast coal mining steelwork and materials handling group, had a better reception to its figures for 1980 than it did for 1979. A year ago the shares slipped 1p to 66p on news that 1979 pre-tax profits only rose from £9.56m to £10.17m.

Yesterday they climbed 13p to 97p on word that profits had inched ahead to £10.27m while turnover advanced from £23.75m to £26.05m. These profits would have been a lot higher but for a plunge in those of associates which fell from £2.77m to £900,000.

The main associated company is Fairclough-Al Midani, the 49 per cent owned concern operating in Saudi Arabia. There are also operations in Kenya. As a result, earnings a share are modestly from 16.03p to 18.79p.

but they swell to 42.34p, if the group, one adds back a hefty £10.34m in deferred tax. Ignoring this, current cost earnings a share emerge at 10.7p while the inflation-adjusted pre-tax profit comes down to £5.7m. However, the dividend rises from 5.72p gross to 6.4p.

Mr Oswald Davies, chairman, said that assets per share are now more than 110p. Cash balances are strong and working in hand is "satisfactory".

The cash apparently amounts to around £12.5m which compares with a market capitalization of not much more than £40m. Orders on hand are around £300m which is reassuring because the group depends heavily upon United Kingdom earnings. Within these, public sector work is important.

Dealers were relieved at the latest news, but at 97p, a 1980 81 peak, the yield is less than 7 per cent.

Stag Furniture profit halved in tough trading

By Margareta Pagano  
Although trading remained difficult, there had been a slight improvement in January when many retail stores reported successful sales. This strengthened the group's order book, but no further improvement is expected overall until the autumn, he said.

Last year the group closed the Stag Cabinet branch factory at Kingston-upon-Thames but it has continued to be used for self-assembly furniture manufacture and dining room chairs. These activities will now be concentrated at Nottingham where the group has recently acquired more land for development.

The sale of the Kingston factory will be completed in July with a cash payment of £1m and after meeting all factory closure costs, is expected to yield a net surplus of £400,000.

AB Electronic loses £565,000

By Our Financial Staff  
A.B. Electronic Products Group has dropped sharply into the red for the sixth month to the end of last December. It is the first time the group has made a loss in the opening half.

Pre-tax profits dropped from £395,000 to a loss of £565,000 on a turnover barely changed at £10.4m.

The group has carried out rationalizations and the board says that, although costly, this will ensure continued recovery. The group says that adequate finance is available, and a medium-term loan facility of £1.5m has not yet been drawn.

## Bank Base Rates

ABN Bank	12%
Barclays	12%
BCCI	12%
Consolidated Credits	12%
C. Hoare & Co.	12%
Lloyds Bank	12%
Midland Bank	12%
Nat Westminster	12%
TSB	12%
Williams and Glyn's	12%

\* 7 day deposit on sums of £10,000 and under 10%  
£50,000 10%  
£100,000 10%

M. J. H. Nightingale & Co. Limited  
The Over-the-Counter Market

1980/81		Company	Price	Ch'ge	Gross Div/100	Yld %	P/E
High	Low						
75	39	Airsprung Group	64	—	6.7	10.5	5.8
50	21	Armistage & Rhodes	50	—	1.4	2.8	20.5
192	92	Bardon Hill	189	—	9.7	5.1	7.1
98	88	Deborah Services	94	—	5.5	5.9	4.7
126	88	Frank Horsell	107	+1	6.4	6.0	3.4
110	39	Frederick Parker	42	—	1.7	4.0	18.3
110	74	George Blair	74	—	3.1	4.2	—
110	59	Jackson Group	107	+1	6.9	6.4	4.1
124	103	James Burrough	117	—	7.9	6.8	9.6
334	244	Robert Jenkins	324	-1	31.3	9.7	—
55	50	Scruttons 'A'	51	—	5.3	10.4	3.7
224	215	Torday Limited	215	—	15.1	7.0	3.7
23	10	Twinkl Ord	10	—	—	—	—
90	69	Twinkl 15% ULS	72	—	15.0	20.8	—
56	35	Unilock Holdings	47	—	3.0	6.4	7.2
103	81	Walter Alexander	99	-1	5.7	5.8	5.5
263	181	W. S. Yates	261	—	12.1	4.6	4.3

## Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
Int or Fin	£m	£m	per share	pence	date	total
AB Electronic (I)	10.4 (10.5)	0.56 (0.4)	— (7.5)	3.5 (2.8)	29/5	12.4 (9.8)
Barratt Dev (I)	128.6 (103.4)	11.9 (11.6)	— (1.5)	0.78 (0.79)	11/5	1.08 (1.05)
Brown Engineering (F)	14.8 (11.2)	0.5 (0.62)	12.96 (4.87)	0.75 (0.62)	14/5	— (4.38)
Burmah Mines (F)	—	0.14 (0.12)	—	2.8 (2.4)	1/7	4.5 (4.0)
Ductile (I)	23.12 (37.37)	1.48 (2.37)	—	2.5 (2.5)	8/5	4.5 (4.4)
Fairclough (F)	26.05 (23.75)	10.27 (10.17)	18.8 (16.03)	N/A (N/A)	15/5	N/A (N/A)
IMI (F)	628 (612)	28.2 (34.5)	0.3 (0.37)	3.45 (—)	7/5	5.25 (3.01)
Jamaica Sugar (F)	0.11 (0.2)	0.03 (0.03)	—	3.25 (—)	26/5	5.0 (5.0)
Ldn Scottish (I)	3.76 (3.22)	0.4 (0.33)	—	1.5 (1.5)	19/5	— (4.51)
McLaughlin & H (F)	46.3 (34.6)	1.2 (0.98)	44.9 (14.3)	—	—	—
Stag Furniture (F)	27.8 (29.5)	1.5 (3.3)	12.0 (34.8)	—	—	—
Waring & Gilbey (I)	41.22 (29.79)	2.84 (2.12)	14.0 (6.5)	—	—	—

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pre-tax and earnings are net. \* = Forecast, † = Loss.

## IMI 1980 Results

Year ended	31 December 1979	1980
611,977	Group sales to external customers	628,582
34,536	Group profit before taxation	28,240
3,262	Taxation	5,693
29,366	Earnings after tax applicable to IMI Limited	23,492
(9,169)	Dividends	(9,387)
250,379	Net tangible assets	253,182

## Notes

1. The recommendations of the Consultative Committee of Accountancy Bodies regarding accounting for foreign currency translations have been adopted for 1980. Profits and losses of overseas companies for 1980 have been translated into sterling at the average rates applicable to their accounting periods.

Exchange differences arising from the re-translation of the opening net investment in these companies and their retained earnings for the year into sterling at the rates of exchange at 30 September 1980 have been taken directly to reserves.

2. The Group's share of the profits, less losses, of major associated companies amounting to £0.8 million (1979: £2.1 million) has been included in profit before taxation.

3. Provision has been made for the payment of a bonus of £1.8 million (1979: £2.2 million) to employees participating in the IMI profit sharing scheme.

4. The charge for taxation comprises

UK Corporation Tax	£ million
Overseas Taxes	(0.3)
Release of deferred taxation provisions no longer required	(10.5)
Advance Corporation Tax written off	11.3
Adjustment for previous years	0.2
	5.7

The UK Corporation Tax credit has been calculated on the basis of a rate of 52%. The proposals of the Consultative Document on Stock Appreciation Relief issued by the Board of Inland Revenue in November 1980 have been adopted. The provision for deferred tax on Stock Appreciation Relief has been wholly released and Advance Corporation Tax which is not presently recoverable has been written off, including £4.0 million in respect of dividends for 1980.

The effect of Stock Appreciation Relief combined with accelerated capital allowances and other timing differences has been to reduce the tax charge by £6.6 million (1979: £6.3 million).

5. This year the effects of inflation have been calculated in line with Statement of Standard Accounting Practice No. 16. This indicates that current cost profits before taxation amounted to £7.7m.

## Dividends

The Directors recommend a final dividend of 2.5p per Ordinary Share, payable on 8 May 1981 to shareholders on the Register at the close of business on 9 April 1981, which will absorb £5,215,000 (1979: £5,210,000). Together with the interim dividend of 2.0p per share paid on 20 October 1980, this makes a total of 4.5p per share (1979: 4.4p per share).

## Brief Review of Activities

Compared with 1979, sales volume fell by rather more than 5 per cent but sales value increased by 3 per cent to £629 million. Most of this increase was in exports from the UK which amounted to £135 million, 19 per cent higher than in 1979. Sales by our overseas manufacturing units increased by 7 per cent in terms of sterling and home sales fell by 3 per cent. Profits before tax were 18 per cent lower at £28.2 million, after charging approximately £5 million for redundancy and reorganisation costs.

Increased UK profits were derived from titanium, refinery operations, alloy tube and from a number of smaller activities including the IMI Mint, Brodench roofing and cladding and IMI Marston's aircraft products. Overseas, special purpose valves did well in France and our Australian operations also achieved higher profits. The fluid power operations overall held up reasonably well. After a good first quarter many other activities were affected by the UK recession, in particular heat exchange, building products and copper semis. Eley ammunition and the LF/Opti Zip Fastener Group continued to experience particularly difficult trading conditions.

## Rights Issue

The Directors of IMI have also announced that arrangements are in hand to raise approximately £27.5 million (net of expenses) by means of a rights issue of 59,598,520 new Ordinary Shares at a price of 48p per share. Documents are being posted to shareholders on 20 March 1981.

Building Products  
Fluid Power  
Zip Fasteners

Heat Exchange  
General Engineering  
Refined and Wrought Metals

IMI Limited, P.O. Box 216, Witton, Birmingham, B6 7BA

## Boosey &amp; Hawkes buys BCI for £4m

By Philip Robinson

Boosey & Hawkes, the music publisher and instrument maker, has bought an unnamed group of American investors to buy New York-based Buffet Crampon International (BCI) for around £4m cash.

BCI, whose shares are quoted on the New York over-the-counter market, makes and distributes high quality woodwind and string instruments and 67 per cent owned by three banks and an American institution, which have agreed in principle to sell Boosey & Hawkes their shares.

But Boosey has yet to go through the BCI books and will not announce how it will finance the deal until it sends shareholders a letter in early May, after its preliminary figures, report and accounts.

It is offering £7.35m (about £3.3m) for the 67 per cent stake and \$7 of loan stock and \$0.96 a share for the remaining 33 per cent of shares which are more widely held. The unnamed group was offering \$7.34m for the major stake and loan stock and a \$1 a share for the rest.

Mr Michael Boxford, chief executive of Boosey, said: "I appreciate it is a long time before we will be in a position to send a letter to shareholders. But I don't think there is going to be a fight over this."

Net asset value of BCI is put at about £3.6m. For the six months ending last June the group made a pre-tax profit of £100,000 on a turnover of £5m. Although based in America, BCI's three factories are in Europe, one in France and two in Germany, and employ 600 people. BCI would give B&H a world wide distribution network.

## SGE Group annual meeting: Shareholders of the international plant and services group were told yesterday by the chairman, Mr Neville Clifford-Jones, that there was nothing but the recession to blame for the present poor trading conditions.

Mr Clifford-Jones, pictured at the meeting, said that the group had experienced a poor first half due particularly to the long Christmas holiday period which had put customers off hiring and placing orders. Virtually no profit had been recorded for December, he said, and January had been nearly as bad.

## Briefly

Jamaica Sugar Estates: Turnover year to Sept 30 £14,000 (£206,500). Pre-tax profit £30,000 (loss £28,000). EPS 0.99p (loss 0.89p). No div (same).

Shackleton Petroleum Corporation: On the basis of the results to date of its exploration and development programme in Canada and the United States the board of Shackleton have decided that the company should expend the balance of the net proceeds of the issue of 10.5m shares in Canada and the United States in conjunction with the continued exploration and development programme of Car Resources. In reaching this decision the board has considered the independent valuation of the assets of Shackleton which was prepared as at December 31, 1980, and subsequent drilling results.

Unilever Ltd plans to float 15 per cent of its subsidiary, UT, Unilever Indonesia, through a share offer to the Indonesian public, with a prospectus expected late in August. The company said the issue is likely to consist of about 3.5 million shares with a nominal value of 1,000 rupiahs each, contingent on Government approval. Unilever expects the



offering to raise the equivalent of about \$35m (US).

Alexanders Holdings: Chairman says in his annual statement that many factors make it difficult to prognosticate on future, but company is strong from an asset point of view (28p per share) and is well positioned to take full advantage of this when the economy returns to normal. When interest rates fall, leading to the end of the recession, company can look forward to increased profitability.

Local Authority Bonds: Interest rate on this week's issues of local authority yielding bonds is 12½ per cent. Issue price 100. Business Income: Gross income for year to December 31: £166,000 (£150,000). Pre-tax profit £144,000 (£122,000). EPS 0.729p (0.626p). Nav 18.4p (15.2p). Dividend 0.5p net (0.625p). Mr R. Morrison resigned from board as result of his entering into a service agreement with Planned Savings Holdings, that precludes him from holding outside directorships. London Scottish Finance Corporation: Interim 0.85p (0.75p). Turnover for half year to January 27 £3,739m (£3,277m). Pre-tax profit £406,500 (£351,000). After finance costs £200,000 (£187,000). Crown House has sold its office development at Bromley, Kent, to a city institution for £1.55m. This property which was developed to provide 11,000 sq ft of office space was let at a rental of £79,350 per annum.

## Drayton Premier Investment Trust Limited

Total assets at 31 December, 1980: £95.7m. (1979: £79.7m.)

Net asset value per Ordinary share rose from 227½p to 292½p. An increase of 28.6 per cent.

Net revenue available for Ordinary shareholders rose from £2,714,325 to £3,235,464. An increase of 19.2 per cent.

Dividend for the year rose from 8.8p to 10.2p. An increase of 15.9 per cent.

Copies of the Report and Accounts for the Year Ended 31 December, 19



## FINANCIAL NEWS

## Pittard reports increase in demand

By Catherine Gunn

West country tanner Pittard Group made a £521,000 pretax loss in 1980, but has maintained its dividend because of a £587,000 tax credit and an extraordinary credit of £410,000. The total dividend is 5.71p. The shares held their ground at 47p yesterday. Group profits in 1979 were £1.49m. With faint signs of improving demand now, Mr Neil Wood, chairman, thinks a first-half profit this year is possible.

Trading grew progressively harder last year. Cheap imports of leather from South America and India and of finished leather goods from Comecon countries again undercut EEC prices. In the United Kingdom the strong pound reduced export margins and retailers and manufacturers began de-stocking from April as demand fell with lower consumer spending.

Meanwhile, hide and skin prices fell sharply, causing net losses of £1m by the December 31 year-end.

Mr Wood said yesterday that there were faint signs of re-stocking by manufacturers, mainly in glove leather where margins are highest. About 30 per cent of the group's leather went into gloves last year, with 50 per cent sold to shoe manufacturers and up to 20 per cent to upholstery manufacturers, who took a lower proportion in 1980 than normally. Mr Wood aims to split group sales evenly between the three markets eventually.

Leather prices were also showing signs of improvement, he said.

Sales at £18.3m last year fell nearly 23 per cent both in volume and value. Trading profits fell from £2.32m to £402,000, while interest costs rose 12.3 per cent to £626,000. Mr Wood expected interest charges to fall by £300,000 in 1981, reflecting lower MLR and reduced borrowings. Borrowings stand at £3m now, against £2.2m at the end of 1979. The proceeds of the sale of the Bournemouth site will reduce borrowings.

## Property sale aids Waring &amp; Gillow

By Margaret Pagan

Results from Waring & Gillow, the furniture and carpet retailers, for the six months to September reflect both difficult trading conditions and major changes within the company since its acquisition last year of Maples.

Trading profits of £586,000 were reported compared with £2.12m last time. But the addition of £3.06m of exceptional credit from the sale of property boosted pretax profits to £2.84m after an extraordinary item of £578,000 covering the losses from the clothing division and factory closures.

On the profits of £2.84m a

reserve for taxation of about £928,000, against £1.1m last year, has been made. Some £229,000 was transferred to the deferred profit reserve to cover outstanding hire purchase debts before striking the pretax figure. Sales rose to £41.22m against £29.7m. The interim dividend has been maintained at 2.14p gross.

Mr Manny Cussins, chairman, said yesterday that trading profits were affected by increased costs and static sales. Trading at £909,000 compared with £2.2m last time. Results from Maples, acquired last May, have been included, but its UK division lost £74,000 and its overseas stores made losses of £190,000.



Mr Manny Cussins, chairman at Waring &amp; Gillow.

## Canadian oil shares for London

A newly incorporated Canadian company, Falmouth Petroleum, is making an issue of shares, and dealings will be permitted in London.

Laurence, Prust and Company and Vivian Gray and Company have undertaken to seek subscribers for a maximum of 2 million common shares of Falmouth at \$2 per share payable in full on application. The issue is not being underwritten. Listing has been granted by the Vancouver Stock Exchange, and subject to the filing of final documentation and satisfactory evidence of distribution, dealings will be permitted on the London Stock Exchange under rule 163(1) (c).

## Bronx expects loss for first half

A lack of orders has forced the Bronx Engineering Holdings group to make about 20 per cent of its staff redundant and bring in short-term working. The group expects a first-half loss after a year in which profits dropped from £524,000 to £307,000 before tax. Turnover for the year to November 30 rose from £11.2m to £14.8m.

The gross dividend was 1.54p against 1.5p.

The board says that a loss for the first half of the current year is almost certain. It is also unlikely that the group will recover sufficiently for a reasonable profit level to be made by the year end.

## McLaughlin raises payout and tops £1m

McLaughlin & Harvey has raised its gross dividend for 1980 from 4.28p to 7.5p. Turnover for the year went up from £34.7m to £46.3m and pretax profits from £980,000 to £1.2m. There was a tax credit of £603,000 against a charge of £417,000.

Exchange losses took £264,000 compared with £30,000. Earnings per share were 44.9p against 14.3p.

The results adopted the stock relief provisions to be proposed in the 1981 Finance Bill.

## Avana confirms forecast

Avana Group, whose bitterly contested takeover bid "Golly" jams group Robertson

## Euroflame tries again for USM quotation

By Philip Robinson

Euroflame Holdings, whose plans to come to the unlisted securities market were delayed when the chairman mentioned a profits forecast which was not in the formal documents, is ready to try again for a quote.

A revised prospectus was lodged with the Stock Exchange's Quotations Committee on Monday and it is expected that a decision on whether to allow Euroflame to market on that prospectus is due later this week.

Dealings in the 1.1 million shares, placed at 30p to raise £330,000, were due to start on February 25. But five days earlier Mr John Viall, chairman, said at a press conference that he would be disappointed if profits this year were less than £450,000.

The remark was published in several newspapers and the Stock Exchange demanded that the formal forecast be included in the prospectus. A spokesman for Tring Hall Securities, the issuing house which plans to retain a 53 per cent stake in Euroflame, said: "We are currently going through the Stock Exchange procedures."

The delay in placing the shares, which has meant an audit and a reprint of the prospectus, is thought to have added £3,000 to the original £60,000 cost.

## First-quarter sales record for Sony

## International

Sony Corporation reports that consolidated sales rose to a record 261,160m yen (£563m) for the first quarter to January 31 from 221,960m yen a year earlier.

Consolidated net income remained high at 20,120m yen, up from 19,530m a year earlier, while earnings per depositary share were 92 yen against 91 yen.

In the first quarter the value of the yen showed a sharp rise from a year earlier, causing a substantial reduction in the book value of consolidated net sales. This in turn made for a corresponding rise in the cost ratio.

The Sony board said that negative factors were more than offset by brisk sales of portable stereo cassette players, the Betamax and other video equipment.

Another offsetting factor was substantial translation gains from converting financial statements of Sony's overseas subsidiaries into yen, and also currency exchange gains due to forward contracts.

## Bayernverein holds payout

Bayerische Vereinsbank has announced an unchanged dividend of 9 Deutsche marks (£1.9) per 50-mark par value share for 1980. It is also planning a stock increase. The payout will be made on 400m mark par value stock capital, up from 360m marks in 1979.

The bank said in Munich yesterday that it is proposing to raise the stock capital to 450m-mark par value using 50m marks in authorized capital for the increase.

## Lend Lease plans disposal

Australia Square, the Sydney landmark, may be sold to General Property Trust.

The seller, Lend Lease Corporation, the property developer, is negotiating disposal of the 50-story skyscraper to GPT, which is a close associate. Independent valuations are being sought by both parties. Australia Square is Lend Lease's remaining property investment and was last valued by the group internally at \$452m (about £27m). A much higher price is now expected.

## Anglo American Coal Corporation Limited

(Incorporated in the Republic of South Africa)

## Extracts from the review by the Chairman Mr. W. G. Boustred

The profit attributable to Anglo American Coal Corporation for 1980 was £79.1 million, an increase of 207 per cent over that earned for the previous year. Vryheid Colliery became a wholly-owned member of the Group from the beginning of the year with the result that there was a reduction in the proportion of profit attributable to outside shareholders in subsidiary companies.

Turnover of the Group rose by 20.8 per cent to R465.5 million and operating profit increased to R130.9 million. The Group's profit before taxation of R124.1 million was 16.4 per cent above the 1979 pre-tax profit of R106.6 million.

The profit after taxation of R85.3 million was an increase of 18.9 per cent over the R71.7 million of last year and after deducting the profit attributable to outside shareholders in subsidiary companies the profit attributable to Anglo American shareholders increased from R65.5 million to R79.1 million. These earnings represented 336.7 cents per share which compares with the 1979 earnings of 278.9 cents per share. A final dividend of 72 cents per share has been declared making a total for the year of 103 cents which represents an increase of 20 per cent over the 90 cents distributed for 1979 and results in a dividend cover of 3.1 times which was the same as that for the previous year.

## COAL MINING ACTIVITIES

Turnover from the sale of coal and coke increased by 7.2 per cent to R363.5 million which resulted in an operating profit of R101.1 million, an increase of 10.6 per cent over the operating profit of R90.5 million achieved in the previous year. The tonnage of coal and coke sold during the year increased marginally by 0.7 million tons to a total of 33.7 million tons. The average profit per ton sold increased by 8.3 per cent as a result of an increase in coal sold on the export market and of a higher profit earned from the coal sold from Klerkopp.

During 1979 the Group's coal mines managed to contain unit costs at a very commendable level, mainly due to the contribution from the open-cast operations at Klerkopp and Kriel and by increased productivity. However, during the period under review, unit costs increased by 16.0 per cent, which, although below the rate of increase in the Wholesale Price Index, is nevertheless of major concern to management and this aspect of operations must receive even closer attention.

The South African coal mining industry continued to expand its output and recorded production in excess of 114 million tons for 1980. The major contributions to the rising demand for coal continued to be the increase in consumption by Eskom at their new power stations in the eastern Transvaal, the further increase in export activity and the coal requirements for the new Saseel installations.

Anglo American maintained its position as the Republic's largest coal producer and contributed 30 per cent of South Africa's output in 1980.

The Group's net expenditure on coal mining assets at R30 million was below the R65 million spent during 1979, and took place principally at Klerkopp, Kriel and Bank Collieries.

Group collieries supplied 21.3 million tons of coal to Eskom in 1980. This tonnage was marginally lower than the 21.6 million tons supplied in 1979.

## NEW COLLIERIES

During the year, shareholders were informed that Eskom had awarded its option to obtain supplies of coal from the New Denham for an additional 1800 MW of generating capacity at Tutuka power station. Accordingly, the colliery is now being developed to supply coal for a total of 3600 MW of generating capacity which will require some 10 million tons a year at full output. In addition, the planned commissioning of the first generating set at the power station has been advanced from September 1985 to March 1985.

For the New Vaal colliery, Eskom initially awarded Anglo a contract for a colliery supply to 1800 MW of generating capacity at the Leshabo power station, but has since requested Anglo to submit an extended offer to cover the coal supply for an additional 1800 MW to allow the station's capacity to be increased to 3600 MW. In addition, Eskom has advanced the planned commissioning date for the first set at Leshabo from the latter part of the 1980s to September 1985. The reserves available to New Vaal are more than adequate to supply coal for 3600 MW and mine planning for the expanded colliery will be based on the optimum utilisation of the reserves in the coalfield.

## EXPORT AND DOMESTIC TRADE

The Group's export collieries continued to maintain a high level of production and raised a total of 7.8 million tons of steam coal and low ash metallurgical coal to Richards Bay during 1980 of which 6.0 million tons was sold through the TCOA as part of its total exports of 12.1 million tons. The balance of 1.8 million tons raised to RBCT was against the Group's own export entitlement under Phase II of the export programme.

Sales by the TCOA to the domestic market, which have declined in recent years, showed a modest increase in 1980. The reduction in TCOA sales to Eskom and the SAR was offset by increased sales to the industrial sector. Due to the increased activity of the building sector, the demand on TCOA from the cement industry improved and the TCOA was able to meet the demand for higher quality sized coal.

As has been the case in the international market, various domestic industrial consumers are now converting from oil to coal. Although the rate of conversion is slow it nevertheless will provide additional market opportunities for the TCOA in the future.

## PRODUCTIVITY AND LABOUR

Sales from Group collieries totalled 33.7 million tons, an increase of 2.1 per cent over 1979. Productivity increased by 0.7 per cent from 125.7 tons per employee per month to 134.1 tons per employee per month and resulted from a reduction of 4.4 per cent in the average number of employees and the additional coal produced.

## Essex Water Company

## The Hon. P.E. Brassey's Statement to Stockholders

The following is the Chairman's Statement submitted at the Annual General Meeting on 17th March, 1981.

## Mr. Arthur W. White

At the Board Meeting on 20th January, 1981, Mr. A. W. White announced that due to his age he had decided to relinquish the Chairmanship of the Company. Mr. White joined the Board in 1962 and had been Chairman since 1966. It was under his Chairmanship that the Company extended its area very substantially. He consolidated the area into one unit and great credit is due to him for the part he played in bringing this about with the minimum of disturbance to those concerned. As his successor in the chair I record my thanks and those of his fellow directors for his outstanding service not only to this Company but to the water industry in general. As a mark of esteem Mr. White has been elected President of the Company.

## Capital

An issue of £7,000,000 8½% Redeemable Preference Stock 1985 was made on 10th December, 1980, to provide funds towards the financing of capital expenditure and to redeem £3,500,000 9% Redeemable Preference Stock 1981 on 2nd January, 1981. The issue was made by tender and its success is reflected in the average price of £105.01 per £100 of stock received.

The Company's existing capital powers provide for the issue of just over £1,500,000 of additional capital or loan stock, a figure which is inadequate to meet the requirements of the Company for forthcoming redemptions of capital and other capital expenditure. Your Directors intend to apply for a new Capital Powers Order to increase the combined authorised capital and loan stock from its present level of £60,000,000 to £100,000,000. Notice of an Extraordinary General Meeting to consider the proposed Order will be circulated in due course.

## Consumption and Charges

The present state of the economy is perhaps indicated by the drop in the volume of water put into supply in 1980 below the level of the previous year. This is accounted for by a lessening in supplies to industrial and other metered premises and is despite an increase in quantities taken by consumers whose supplies are not metered, in the main household supplies. The highest daily quantity of water supplied in the Company's history was on Sunday, 18th May, 1980, and amounted to 104.6 million gallons.

In common with the water industry generally, the Company is this year extending to all consumers the option to have a metered supply. The present relatively high costs of metering, however, are likely to make it uneconomic for ordinary households to change to the Company's metered supply tariff, although this can be advantageous for larger commercial premises where water demands are low and rateable values high.

Intensive efforts have been and are being made to limit rising costs and the latest review of expenditure for 1981

has resulted in the deferment of a number of items, both capital and maintenance. The exercise is made more difficult both by the limited scope for reducing standards in such areas as quality, pressure and continuity of water supplies and by the long term rising demands of unmetered consumers making inevitable the development of capital schemes to augment supplies.

Charges are having to be increased substantially this April. The small increase in charges last year, made possible by utilising some of the Company's reserves, turned out to be insufficient to meet rising costs so this year the increase has to cover more than one year's inflation. In the five years to 1980, the average amount charged per 1000 gallons supplied by the Company has risen by 66 per cent; this percentage may be compared with the rise in the retail prices index over the same period of about 96 per cent.

## Major Capital Projects

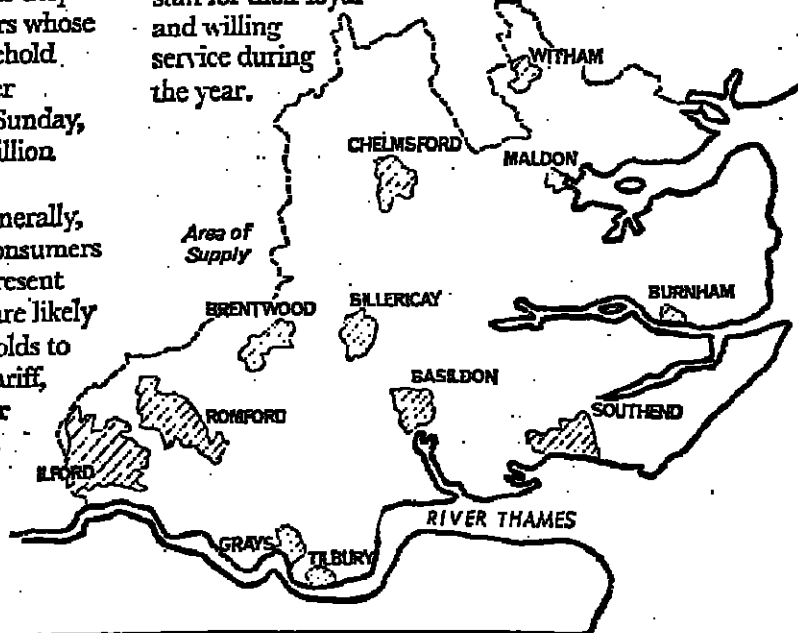
Construction of the 2.7 million gallon service reservoir at Bowers Gifford, with associated pipelines, which will improve supplies to Canvey Island, is nearing completion. Contracts have been let for constructing additional rapid filters at Hanningfield and these are expected to become operational in 1982.

The extension to the computer building at Head Office now houses the twin ICL 2946 replacement computers. Work has started on converting a building adjacent to the Company's Mid Essex Divisional Office and depot at Chelmsford to provide much needed office and other facilities. Construction of offices to rehouse the South Essex Divisional staff at Romford has also commenced.

The present day costs of providing capital assets are compared with the costs actually incurred in past years in this year's accounts. From these it can be seen that while the gross historic cost of the Company's assets is around £61 million, their current replacement cost would in fact be of the order of £429 million.

## Staff

I am sure it would be your wish to thank the staff for their loyal and willing service during the year.

Business appointments  
Two for Sterling board

Mr. J. V. Strong and Mr. W. Scanlan have been appointed to the board of Sterling Estates.

Mr. A. J. Sheppard has been appointed deputy chairman of Western Bank Trust.

Mr. Chris Masters has been appointed head of syndications section in National Westminster Bank's international banking division.

Mr. T. G. Kent, deputy chief executive of the corporation's Finance Department, has been appointed to the board of British Aerospace.

Mr. J. M. Woolley has been appointed assistant managing director of Dickinson Robinson Group.

Mr. Stephen P. Haykin becomes chairman and group managing director of Wiggins Construction after the retirement of Mr. Cyril C. Wiggins who has been appointed president.

Mr. P. D. Warren becomes deputy chairman. J. C. Edwards has been appointed to the board as construction director.

Mr. F. Clive Wilkinson has been appointed director of Yorkshire Bank Finance and Yorkshire Bank Leasing.

Mr. Sidney Wild is to become chairman of Yorkshire Bank. Mr. Kenneth Weeden has been appointed managing director of Innac UK.

Mr. T. M. Mooson has been appointed general manager, and Mr. Alan Peers assistant general manager (operations) in the personnel division of William & Glyn's Bank.

Mr. Roger P. French has been appointed to partnership in Deloitte Haskins & Sells management consultants.

Professor A. R. Williamson, Gardner Professor of Biochemistry at the University of Glasgow, has been appointed research director of the Greenford division of Glaxo Group Research.

Mr. John Macfarlane of Coleridge has been elected president of the Wallcovering Manufacturers Association of Great Britain.

Sir Anthony Bell has been appointed chairman of Williams de Broe Hill Chaplin & Company.

Mr. Kenneth Linford has been appointed managing director of the property division of Espley-Tyres Property Group.

Nigel Judah has been appointed finance director of Reuters and becomes one of three executive members of the board.

Mr. Fredrick Kellard has been appointed a director of Anglo Factoring Services on his retirement from Griffin Factors.

Lord Hartwell, resigned from the board of LWT (Holdings), Mr. Leon Page, joint managing director of Page and Moy (Holdings), has been appointed to the LWT board.

Mr. D. Gordon Towler has been appointed a director of John Crompter Group. Mr. John Ray is now group company secretary.

Sir Jack Rampton has been appointed a director of London Atlantic Investment Trust.

## Anglo-Indonesian claims 40 pc of Eva

Acceptances received of the offer for Eva Industries by Anglo-Indonesian (AIC) amounted to 328,398 ordinary of Eva (3.51 per cent). AIC and its subsidiaries owned 2.53m ordinary shares in Eva (27.57 per cent) before the offer and has purchased a further 347,000 ordinary shares (3.71 per cent) during the offer period.

People acting in concert with AIC own a further 830,160 ordinary (8.87 per cent). The combined shareholding of AIC and those acting in concert with it (exclusive of acceptances) now total 40.15 of Eva's ordinary share capital. The offer has been extended to 3.30 pm on March 30.

The 22nd annual general meeting of Anglo American Coal Corporation will be held in Johannesburg on April 14th, 1981. Copies of this review and of the annual report are obtainable from the London office of the company at 40, Holborn Viaduct, EC1P 1AJ, or from the transfer secretaries Charter Consolidated Limited, PO Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.



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## Second liners in demand

BRITISH FUNDS				Price Change				Yield				Gross Div				Price Change				Yield				Gross Div				Price Change				Yield			
1990/91				1990/91				1990/91				1990/91				1990/91				1990/91				1990/91				1990/91				1990/91			
Low Company				Low Company				Low Company				Low Company				Low Company				Low Company				Low Company				Low Company				Low Company			
Price				Price				Price				Price				Price				Price				Price				Price				Price			
Yield				Yield				Yield				Yield				Yield				Yield				Yield				Yield				Yield			
1990/91				1990/91				1990/91				1990/91				1990/91				1990/91				1990/91				1990/91				1990/91			
Low Company				Low Company				Low Company				Low Company				Low Company				Low Company				Low Company				Low Company				Low Company			
Price				Price				Price				Price				Price				Price				Price				Price				Price			
Yield				Yield				Yield				Yield				Yield				Yield				Yield				Yield				Yield			
1990/91				1990/91				1990/91				1990/91				1990/91				1990/91				1990/91				1990/91				1990/91			
Low Company				Low Company				Low Company				Low Company				Low Company																			



5.7















